

Purchasing Week

McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

Vol. 1 No. 24

New York, N. Y., June 16, 1958

Price Perspective	2
Washington Perspective	4
Foreign Perspective	8
Meetings	9
Purchasing Week Asks You	11
New Products	17
Profitable Reading for P.A.'s	18

\$6 A YEAR U. S.
AND CANADA

\$25 A YEAR
FOREIGN

A.S.A. Group Eyes Shipping Container Size

New York—Purchasing agents looking for development of standards for shipping container sizes are invited to cooperate in such a project.

The American Standards Association announces formation of a new national standards committee has been approved by its Miscellaneous Standards Board. First meeting of the committee will be held at the A.S.A., 70 E. 45th St., New York 17, N. Y. on July 30 to plan handling of the technical work.

All groups and organizations interested in shipping container size standards are invited to participate, the A.S.A. said. The project is being sponsored jointly by the American Society of Me-

(Continued on page 21)

Stockpile Offer Boosts Copper

Washington—The Administration's turnabout proposal to renew copper stockpiling sent copper prices zooming upward in world markets last week.

The rise began as interior secretary Fred A. Seaton announced the Administration would seek congressional approval for the government to buy 150,000 tons over the next year to support the domestic price at 27½¢ a lb.

Seaton's move takes copper out of the Administration's subsidy price support program now pending in Congress. Seaton and Senate mining committee leaders have been assured a new copper

(Continued on page 21)

This Week's

Purchasing Perspective

JUNE 16-22

Buying for governmental needs must be accomplished under conditions which, in many instances, would prompt the average industrial P.A. to throw up his hands in dismay. Handling of public funds carries all the usual responsibilities that go with dealing with an employer's money—plus some that are unique.

The fact that his judgment, actions, and motives may suddenly be thrown open to public inquiry is one of the trials of the governmental buyer.

Two current instances, in Georgia and Texas, provide contrasting examples of the course such public scrutiny can take.

Georgia's chief purchasing agent is under fire. His procedures in taking and awarding bids have invited stern criticism because other nearby municipal units seemingly can make similar purchases at substantially lower prices (see Tire Bids, P.W., June 2, pg. 1).

On the other hand, certain Texas municipal purchasers have stirred a state-wide investigation because of their complaints that certain firms are rigging bids in violation of state anti-trust laws.

The proneness of public P.A.'s to the public spotlight is not

(Continued on page 22)

Senate Has Its Ideas

Washington—The House voted overwhelmingly last week to extend Reciprocal Trade for another five years. But Senate debate on the measure will run even longer and hotter, centering on specific import relief demanded by domestic oil, metals, and minerals producers. Oil, mining, and textile state senators will seek specific commodity quotas and tariff hikes.

Texas Probing Identical Bidding

Austin, Texas—State authorities are investigating charges that a number of firms have rigged prices in bids for supplies requested by purchasing agents of various Texas cities.

Attorney General Will Wilson says he plans to file by August or September a series of anti-trust suits against firms which have submitted identical bids to Texas municipalities. About "25 or

(Continued on page 22)

World Cotton Group Asks Lower U. S. Prices

London—The International Cotton Advisory Committee would like to see lower domestic cotton prices in the United States.

Lower U. S. prices would increase American domestic consumption and thereby improve the world cotton situation, the committee believes.

The I.C.A.C., which just ended a major meeting in London, said growing world population and higher incomes will boost cotton

(Continued on page 21)



O. O. ALBRITTON, L., Succeeds J. S. Fair, Jr., as chairman of A.A.R. Purchases and Stores Division. E. A. Bromley, R., is vice chairman.

Railroads Turn to Local Buying To Reduce Costs, P.A.'s Hear

Chicago—A trend toward more local buying by railroad purchasing agents as a means to cut costs was noted at the annual meeting of the Association of American Railroads' Purchases and Stores Division June 5-6.

This was just one tool, the railroad P.A.'s were told, that must be sharpened to help the trouble-ridden industry squeeze the most out of operating funds.

Pointing out that the financial plight of the railroads today adds

new importance and greater significance to the role of purchasing, J. S. Fair, Jr., association chairman declared:

"With profits dwindling, reduced buying is just as essential as all other curtailments in current expenditures because about 18 cents of every dollar received in revenue is spent by the average railroad with its suppliers of materials and fuel."

Some 1,200 railroad purchases

(Continued on page 21)

Shippers Oppose I.C.C. Setting Minimum (Higher) Trucking Rates

Washington—Shippers will staunchly oppose a Mid West Motor Freight Bureau's petition to the Interstate Commerce Commission to set minimum freight rates. Hearings are slated for June 19.

The central states motor freight bureau has asked the I.C.C. to force truckers in the five state area it serves—Ohio, Michigan, Indiana, Illinois, and Wisconsin—to raise rates to a "reasonable minimum" level. And, the Bureau wants the I.C.C. to order "emergency" rate increases of from 5 to 7% while the Commission conducts its investigation into the whole rate structure of the truckers.

Basic argument of the Freight Bureau that represents over 800

(Continued on page 22)

I.C.C. to Tighten Rules On Chemical Shipping

Washington—The warning flag is up that tighter controls may be imposed over chemical shipments in tank cars and trucks. Two serious rail accidents this year involving nitro-methane are sparking an Interstate Commerce Commission check into the matter. The company involved has suspended all shipments of the commodity in tank cars and tank trucks, and railroads have slapped a nationwide embargo on nitro-methane movements.

(Continued on page 4)

Washington—The railroads

headed down an apparent clear track last week in their legislative drive to get more freedom to lower freight rates where they are in competition with other carriers.

A lot of maneuvering still remains to be done in Congress before legislation is cleared granting the railroads greater freedom from government jurisdiction in fixing rates. But much of the opposition to such legislation melted away the past week.

The Senate passed a bill that would provide federal help to the financially-depressed railroads in the form of guaranteed loans, tax concessions and freer rate making

(Continued on page 3)

Cost Cutting Emphasized at Handling Show

Cleveland—Production, shipping, and purchasing executives attending the National Materials Handling Exposition here last week concentrated on a search for new ways to reduce the big cost factor in the complex process of moving things from one place to another.

It is estimated that the handling process accounts for an average 25% of the total labor costs involved in making a product. Thus, cost-cutting in handling set the tone of the exhibits and conference sessions.

Some 6,000 pieces of handling equipment were displayed by 175 companies at the week-long show. An example of the cut-cost emphasis was the method of packing

(Continued on page 22)

Electricity Tags May Be Upped

Boston—The prospect of increased prices for electricity is on the horizon, according to General Electric chairman Ralph J. Cordiner.

"The advances in generating efficiency are not going to be enough to offset the effects of inflation in your production costs," Cordiner said last week in a speech prepared for delivery at the 26th annual convention of the Edison Electric Institute.

"Unless the basic inflationary trend is halted, the health of the electric industry may depend on winning public understanding of the need for a realistic appraisal of the appropriate selling price for electricity."

(Continued on page 4)

Car Bargains End For Municipalities

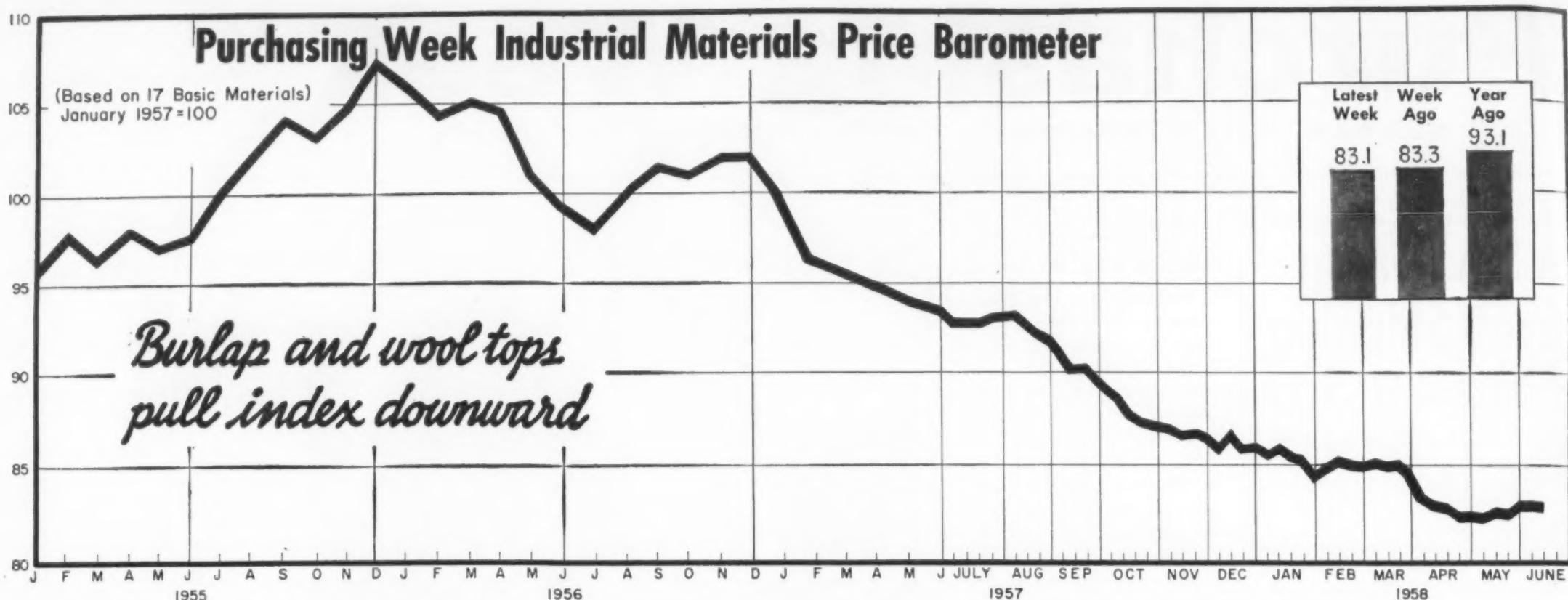
Detroit—State, county, and municipal purchasers face higher transportation costs as a result of a new pricing policy adopted this week by General Motors and expected to be followed by Chrysler and Ford.

In an action long sought by auto dealer groups, General Motors announced that, effective June 16, it is discontinuing subsidies on fleet sales to states, counties, and municipalities.

In recent years governmental purchasing authorities have been able to buy vehicles for police work and other civic needs at closer to manufacturers' than dealer costs. The savings per unit have in some instances run as high as \$400 but averaged at least \$250.

Many dealers objected to this type of business, mostly on the

(Continued on page 3)



This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw

material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they re-

flect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's

Price Perspective

JUNE 16-22

Do price declines stimulate or discourage buying?

Most economists have long claimed that lack of price cuts and over-all price sensitivity are major causes for the current economic recession.

And until recently this school has been unopposed. Now along comes another theory which leads to exactly opposite conclusions.

This new group claims that a price decline is not a necessary condition for recovery, and that in many instances it leads to expectations of further price declines, thereby inducing buyers to cut back even more.

It's a seemingly logical point of view, and only falls down if you look a lot more closely at some of its subtle assumptions.

• • •

Those who say that holding the price line is our best bet rest their entire argument on one key premise: Speculation.

They claim that a fall in tags won't increase demand because buyers will be tempted to hold off in anticipation of further price declines. Anticipation is just a fancy way of saying speculation.

When you don't buy because you expect a further price drop you are, in effect, speculating—guessing about tomorrow's prices.

If we are to believe that demand can best be stimulated by keeping prices firm, we must then accept the premise that much of today's buying is based on speculation, on trying to outguess the market.

There's certainly little evidence to support this contention.

• • •

True, speculation does have some validity in the short-run, and as such does have some influence on whether you will buy today or tomorrow.

But it's when you reach the longer-run that this speculative concept falls apart. As a buyer you can speculate only up to a point. Once you have reached minimum inventory levels, purchases on a "production-need" basis are a must if bottlenecks are to be avoided.

You wouldn't get very far explaining to your production department that you didn't have a certain material on hand because you thought prices might drop still further.

• • •

Moreover, in some instances, the speculative argument falls down even for the short-run.

• In areas where price changes are infrequent—in many industries prices are administered by a few big companies (steel and aluminum, for example). Price changes in these areas are few. When they do occur they are usually semipermanent, lasting from a few months all the way upwards of a year. You don't speculate in this type of market.

• In companies where buying is non-speculative—the majority of purchasing executives aren't being paid to speculate. They're in the market to buy, to see that materials and supplies are available when and where needed.

• • •

To sum up—a price theory that makes speculative buying its key building block can never be a valid one.

Most buying in this country today is based on need—either for production or consumption. And as such lower prices almost always stimulate a greater volume of buying.

It's nothing more than a simple statement of the law of supply and demand. And as far as we know this law is still operative.

This Week's Commodity Prices

METALS

	June 11	June 4	Year Ago	% Yrly Chg.
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	65.50	+ 2.3
Pig iron, basic, valley, gross ton	66.00	66.00	64.50	+ 2.3
Steel, billets, Pitts., net ton	77.50	77.50	74.00	+ 4.7
Steel, structural shapes, Pitts., cwt	5.275	5.275	5.00	+ 5.5
Steel, structural shapes, Los Angeles, cwt	5.975	5.975	5.70	+ 4.8
Steel, bars, del., Phila., cwt	5.725	5.725	5.365	+ 6.7
Steel, bars, Pitts., cwt	5.425	5.425	5.075	+ 6.9
Steel, plates, Chicago, cwt	5.10	5.10	4.85	+ 5.2
Steel scrap, #1 heavy, del., Pitts., gross ton	36.50	34.50	51.00	-28.4
Steel scrap, #1 heavy, del., Cleve., gross ton	33.00	33.00	49.50	-33.3
Steel scrap, #1 heavy, del., Chicago, gross ton	37.50	34.50	49.50	-24.3
Aluminum, pig, lb	.24	.24	.25	-4.0
Secondary aluminum, #380 lb	.213	.212	N.A.	N.A.
Copper, electrolytic, wire bars, refinery, lb	.248	.244	.312	-20.5
Copper scrap, #2, smelters price, lb	.20	.195	.243	-17.7
Lead, common, N.Y., lb	.11	.11	.14	-21.4
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	1.05	-29.5
Tin, Straits, N.Y., lb	.946	.946	.983	-3.8
Zinc, Prime West, East St. Louis, lb	.10	.10	.11	-9.1

FUELS

Fuel oil #6 or Bunker C, Gulf, bbl	2.25	2.25	2.75	-18.2
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.57	2.57	3.10	-17.1
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.50	2.50	2.85	-12.3
LP-Gas, Propane, Okla. tank cars, gal	.04	.04	.35	+14.3
Gasoline, 91 oct. reg, Chicago, tank car, gal	.115	.115	.13	-11.5
Gasoline, 84 oct. reg, Los Angeles, rack, gal	.105	.11	.136	-22.8
Coal, bituminous, slack, ton	5.75	5.75	6.05	-5.0
Coke, Connellsburg, furnace, ton	15.25	15.25	15.25	0

CHEMICALS

Ammonia, anhydrous, refrigeration, tanks, ton	90.50	90.50	82.50	+ 9.7
Benzene, petroleum, tanks, Houston, gal	.36	.36	.36	0
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.30	+11.6
Coconut oil, inedible, crude, tanks, N.Y. lb	.119	.119	.121	+23.1
Glycerin, synthetic, tanks, lb	.278	.278	.28	.7
Linseed oil, raw, in drums, carlots, lb	.173	.173	.163	+ 6.1
Phthalic anhydride, tanks, lb	.205	.205	.205	0
Polyethylene resin, high pressure molding, carlots, lb	.325	.325	.35	-7.2
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.70	9.70	9.05	+ 7.2
Shellac, T.N., N.Y. lb	.31	.31	.36	-13.9
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	26.50	-11.3
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, indelible, fancy, tank cars, N.Y. lb	.083	.081	.08	+ 3.8
Titanium dioxide, anatase, reg, carlots, lb	.255	.255	.255	0

PAPER

Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	16.70	+ 1.8
Bond paper, #1 sulfite, water marked, 20 lb carton lots, CWT	24.20	24.20	24.20	0
Chipboard, del. N.Y., carlots, ton	100.00	100.00	100.00	0
Kraft liner, 42 lb del. N.Y., ton	127.50	127.50	127.50	0
Wrapping paper, std, Kraft, basis wt. 50 lb rolls	9.00	9.00	9.25	-2.7
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.60	-3.0

BUILDING MATERIALS

Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.26	4.26	4.38	-2.7
Glass, window, single B, 40" bracket, box	7.00	7.00	7.09	-1.3
Southern pine lumber, 2x4, \$4s, trucklots, fob N.Y.	116.00	116.00	117.00	-.9
Douglas fir lumber, 2x4, \$4s, trucklots, fob N.Y.	120.00	120.00	118.00	+ 1.7

TEXTILES

Burlap, 10 oz, 40", 100 yd	10.10	10.20	11.25	-10.2
Cotton, 1 Middling, N.Y., lb.	.363	.363	.354	+ 2.5
Printcloth, 39", 80x80, N.Y., spot, yd	.174	.174	.180	-3.3
Rayon, satin, acetate, N.Y., yd	.27	.27	.298	-9.4
Wool tops, N.Y. lb	1.47	1.49	1.96	-25.0

HIDES AND RUBBER

Hides, cow, light native, packers, lb	.138	.138	.16	-18.8
Rubber, #1 std ribbed smoked sheets, lb	.263	.26	.335	-21.5

R.R. Rate Fight Gains Support; Bills Submitted

(Continued from page 1) authority. On the other side of the Capitol, the House Commerce Committee approved a much more watered down version of the measure.

But in both bills, the lawmakers left intact the provision that would help unshackle the roads' authority in setting their own rates.

The broader Senate bill, sponsored by Sen. George Smathers, (D. Fla.) would have a much more difficult time in clearing Congress. The House version was drawn up to soften the opposition of the Administration and other carriers.

Closer to Agreement

Staff members of the House Commerce group say the new legislation, drafted by Chairman Oren Harris, (D. Ark.) "is a lot closer to getting general agreement among all the parties than anything we've had before us all year."

The rate-making provision had been expected to be a casualty of the legislative battling over the legislation. But these members predict that, now that the bill has been toned down, it will get speedy House approval, including the new rate authority. Differences in the two measures would then have to be settled in a Senate-House conference committee.

The railroads contend that the legislation would grant them power to lower freight rates even if it might result in taking business away from other carriers. As the law now stands, the Interstate Commerce Commission can and does block such rate cuts, claiming that it is safeguarding the nation's entire transport system.

The railroads particularly have their eye on lowering rates selectively on high value, low volume shipments such as electrical equipment, machinery and machinery parts, cigarettes, and whiskey in which they compete with truck and barge operators for business.

The key to the whole situation now seems to hang on what is the intent of Congress in passing such legislation. The railroads claim it is to give them more power; the truckers contend that it appears to mean no change.

If the commission accedes to the railroad view, then some freight rate reduction can be expected. But if the commissioners don't see it that way, observers believe the matter would have to be settled in the courts.

One thing is certain. If the measure clears Congress in this form, the rails will be quick to test it out by lowering some rates.

Car Bargains End For Municipalities

(Continued from page 1) grounds that these cars can be sold more cheaply than a normal used car after only a year's use, with a resulting depressing effect on the used car market (P.W., Feb. 3, p. 1). The discounting started as a byproduct of the Chevrolet-Ford sales race and reached a peak in 1954 when

General Motors started bypassing its dealers to obtain municipal orders. Ford and Plymouth have in general always dealt through dealers but offered competitive discounts.

General Motors finally returned to dealer bidding about 18 months ago. Factory experts then analyze previous sales to government groups.

The General Motors decision does not include sales to federal government agencies nor does it affect fleet sales to large private concerns which in some instances deal directly with the factory.

Chrysler and Ford are studying General Motors' action and may announce similar policies.

Businessmen Cautious In Equipment Buying

Washington — Businessmen continue cautiously in their estimates of future purchases of plant and equipment. A new government survey reveals the nation's corporations expect to spend only \$30.8 billion on capital items this year.

That's over \$1 billion below an earlier estimate made in March—and some 17% below the record \$37 billion shelled out last year.

One bright spot: the rate of decline is expected to ease. This is in agreement with an earlier

Capital Outlays* (Billions of Dollars)

	—1957—			—1958—			
	Jan.- Mar.	Apr.- June	July- Sept.	Oct.- Dec.	Jan.- Mar.	Apr.- June	July- Sept.
Manufacturing	16.12	16.25	16.37	15.27	13.20	12.18	11.68
Durable goods industries	8.09	8.31	8.23	7.57	6.58	5.78	5.52
Non-durable goods	8.03	7.94	8.14	7.70	6.62	6.40	6.16
Mining	1.35	1.28	1.24	1.15	1.00	.98	.94
Railroad	1.42	1.35	1.54	1.26	1.02	.78	.62
Transportation other than rail	1.52	1.82	1.81	1.91	1.69	1.47	1.33
Public utilities	5.72	5.93	6.64	6.43	5.87	6.44	6.32
Commercial & other (b)	10.76	10.40	10.15	10.21	9.63	9.51	9.42
Total	36.89	37.03	37.75	36.23	32.41	31.36	30.31

* Seasonally adjusted annual rates

McGraw-Hill survey (P.W. 3-21) which predicts the decline will bottom out sometime in 1959.

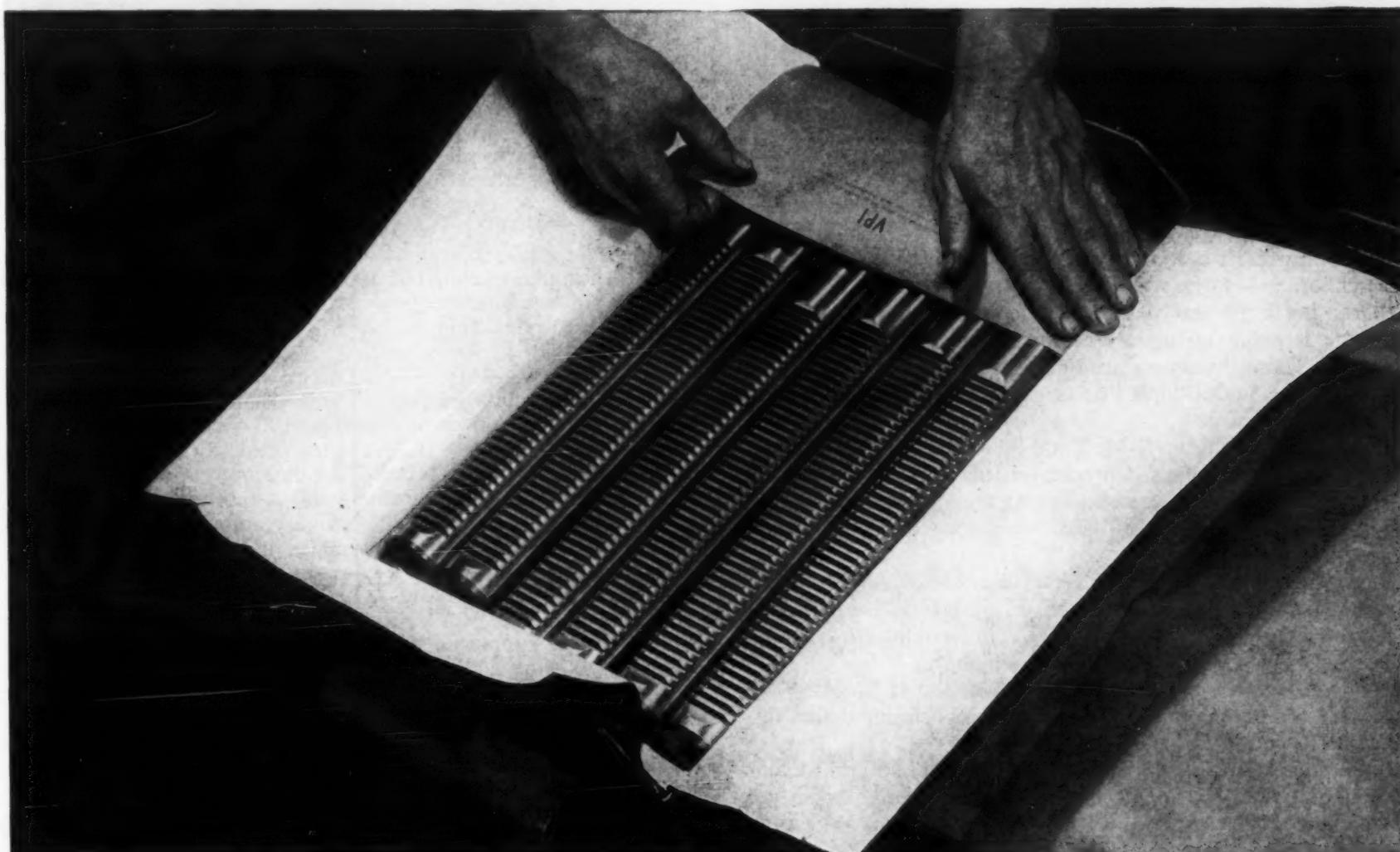
Industries all along the line have revised their spending plans downward. Third quarter 1958 outlays by manufacturers, for ex-

ample, are now targeted at \$11.7 billion—nearly 30% below comparable year-ago levels.

All major industry groups, with the exception of public utilities expect to spend less money this year.

The Ludlow Line Protects Your Products Better

8-year test proves vapor-from-paper stops rust...saves money



On January 6, 1950, a leading metals company encased a piece of mild steel in a new kind of protective packaging. It was Ludlow's VPI* Wrap—a coated paper that gives off a rust-preventive vapor. On January 15, 1958—*eight years later*—the steel was unwrapped and examined. Here is the company's report on its condition:

"The condition of the specimen is excellent. There is no rust or tarnish appearance and the bright, shiny finish remains."

And the test was conducted in a corrosive, salt water atmosphere! Because VPI is so effective . . . and because it costs less than messy grease or slushing oils, the VPI packaging method has gained widespread acceptance for protecting metal products during storage (see picture) and in shipment. Send for booklet.

VPI Wrap is typical of Ludlow's job-tailored packaging products. Look to Ludlow for greater protection, lower costs and faster packaging.

*Vapor rust preventive—Conforms to U. S. Government's Spec. MIL P 3420



LUDLOW
PAPERS, INC.
NEEDHAM HEIGHTS 94, MASS.

Sales Offices in principal cities

VPI-COATED PAPERS • GREASEPROOF PAPERS • WATERPROOF PAPERS • POLY-COATED PAPERS • GUMMED TAPES • FEDERAL SPEC. PAPERS • GUMMED LABEL AND SPECIALTY PAPERS

This Week's

Washington Perspective

JUNE 16-22

The last lingering hopes of congressional diehards pushing for tax cuts now are riding on a bill to aid small business. Tax relief for the little businessman has an excellent chance of passage this year, despite the moratorium declared on general tax reductions. Both the Administration and congressional leaders favor such a bill.

Advocates of broader tax cuts hope to open up the small business measure to other reductions. This is standard operating procedure in congressional battling over such a bread and butter issue. As long as any tax bill makes its way through Congress, there is always a chance of sticking amendments into it to provide wider relief.

A cut in the excise rates on transportation also is getting a big play. Sen. George Smathers has lined up 46 senators in support of it. The big push for this will come when the Senate takes up the bill to extend corporation and excise taxes another year at present rates.

The outlook for House approval also is bright, if the provision clears the Senate. This is because the bill would wind up in a Senate-House conference committee, at which Arkansas Representative Democrat Wilbur Mills would head the House conferees. Mills, the Democrats' big gun on tax measures, is in favor of slashing the 10% excise rate on passenger fares and eliminating the 3% levy on freight rates. He has declared that the freight excise is "the worst tax we have on the books," and his views carry great weight in the lower chamber.

The Administration now favors a four-point program of aid to small business:

- Extension of fast depreciation allowances for up to \$50,000 on used machinery and equipment.
- Allowing small corporations—those with say no more than 10 stockholders—to be taxed as partnerships.
- Granting a 10-year payment period for estate taxes where the estate is made up mainly of investments in a closely held enterprise. These taxes now are due 15 months after death.
- Hiking the \$1,000 limit that original investors can deduct as capital losses.

Representatives Curtis (R-Mo.) and Ikard (D-Tex.) favor modifying the Administration's depreciation rules to give a break to retailers and wholesalers as well. They contend that the Administration's proposal would benefit chiefly the 15% of small business engaged in manufacturing.

They would substitute a "reinvestment allowance" that would permit deductions for any increased investment in the business, be it production goods or inventories. This would allow annual deductions of up to 20% or \$30,000, whichever is less.

Michigan congressmen still have some hopes of lowering the excise taxes on automobiles, despite the overwhelming defeat this proposal suffered in the House.

Among other proposals still kicking around are several to spur spending on new capital plant and equipment. Though hopes are fast fading, backers favor liberalizing depreciation on capital goods and providing for faster tax writeoffs.

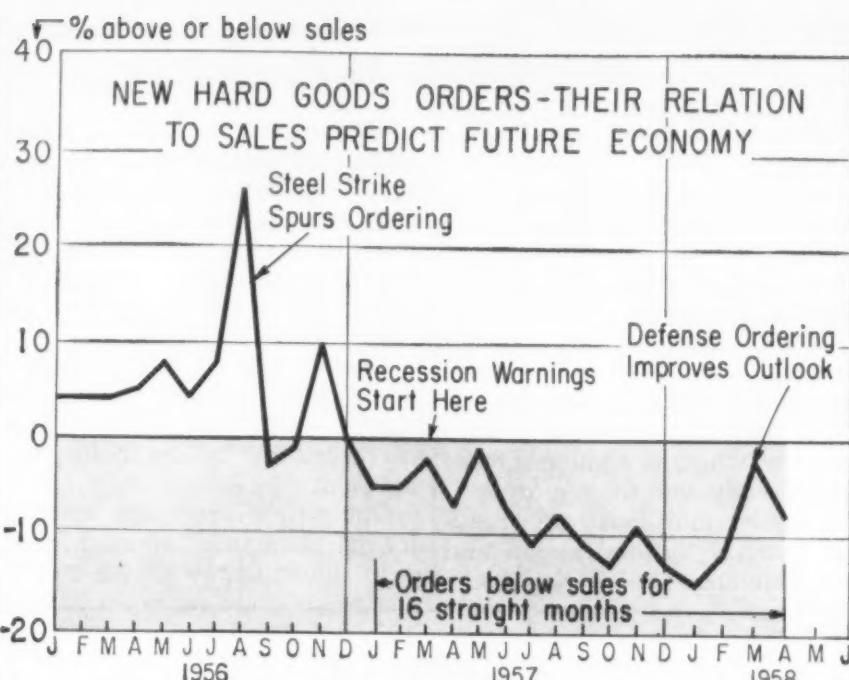
The political slugfest over anti-racketeering labor legislation in the Senate may stir up enough heat for a new Taft-Hartley bill this year. It's only an outside chance; the House so far has displayed almost no interest in the subject. But if the Senate fireworks raise enough fuss from the public, the House may feel forced to take some action itself.

A new labor control bill was a dead bird until Labor Secretary Mitchell blasted the Kennedy-Ives proposal as "ineffective." Democrat Kennedy and Republican Ives had anticipated no trouble, coming in with a bipartisan measure.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	1,723	1,685*	2,214
Autos, units	74,022	66,574*	129,517
Trucks, units	16,647	15,038*	23,370
Crude runs, thous bbl, daily aver	7,690	7,487	8,080
Distillate fuel oil, thous bbl	12,251	11,964	12,460
Residual fuel oil, thous bbl	6,775	6,857	8,341
Gasoline, thous bbl	27,263	26,438	27,966
Petroleum refineries operating rate, %	83.7	81.5	90.6
Container board, thous tons	119,334	114,444	141,915
Boxboard, thous tons	129,283	132,765	121,554
Paper operating rate, %	80.9	85.7*	90.1
Lumber, thous of board ft	212,551	239,199	206,560
Buminous coal, daily aver thous tons	1,275	1,203*	1,618
Electric power, million kilowatt hours	11,681	11,155*	11,550
Eng const awards, mil \$ Eng News-Rec	505.5	481.4	417.7

* Revised



Leveling Off but No Bounceback, That's What Factory Data Show

Relative to Sales, Hard Goods Inventories Rise; New Orders Stabilizing but Still Below Sales

New York—New figures on factory sales, stocks, and new orders reflect the current business outlook. They show a gradual bottoming out of the recent decline—but as yet indicate no signs of a bounceback to new peaks.

On the positive side is the continued paring of factory hard goods stocks and a leveling out of the decline in new business.

Latest inventories figures, for example, show that hard goods factory stocks as of May 1 were down to \$29.4 billion. That's a decline of \$2.4 billion since last autumn.

But this figure isn't as optimistic as first glance might indicate. That's because hard goods sales during the same period fell by even a greater amount.

It meant a rise in the inventory/sales ratio. In other words, the number of days supply on hand, in terms of existing sales volume, actually went up. Thus, by March hard goods manufacturers had a 2.6 month's inventory supply on hand—contrasted to the 2.3 month level of five months earlier. Month-by-month totals are given in the table below.

Hard Goods Manufacturers

Number of Months' Supply on Hand

	1957	1958
January	2.1	2.4
February	2.1	2.5
March	2.2	2.6
April	2.2	2.6
May	2.2	...
June	2.2	...
July	2.2	...
August	2.2	...
September	2.3	...
October	2.3	...
November	2.3	...
December	2.4	...

The upward trend in this ratio has tended to blunt the effect of reduced overall stocks by discouraging any step-up in buying until sales pick up.

Note, however, that the April figure also reads "2.6 months," giving some indication that this key ratio may be leveling off. But a healthier inventory position will have to wait until this key ratio starts falling close to the two-month level.

Another key barometer to watch is the ratio of new orders to sales. The chart above shows

I.C.C. to Tighten Chem. Shipping

(Continued from page 1)

Under scrutiny is how clean tanks actually are before new shipments are loaded although cause of the accidents was not immediately determined. The most recent occurred June 1 when an Illinois Central tank car of nitro-methane exploded at Mt. Pulaski, Ill., killing two people and injuring more than 20 others. A similar accident occurred last January at Niagara Falls, N. Y.

In both instances, the tank cars came from Commercial Solvent Corp.'s Peoria, Ill., plant and were loaded with nitro-methane, a solvent used in lacquer. The company claims that laboratory tests show the commodity will not explode from impact, such as a derailed train, and that it doesn't flash below 80 F. Also, nitro-methane burns slowly and evenly when ignited with external flame but doesn't explode.

The Illinois Central claims that the tank cars were clean before the commodity exploded; but a theory under investigation is shipments became contaminated by a previous cargo, causing explosions.

Observers look for the I.C.C. to make an extensive investigation and almost surely to come up with some changes in tank cleaning regulations.

Electricity Tags May Be Increased

(Continued from page 1)

Cordner warned that the electric industry will be unable to increase its generating efficiency to offset rising production costs "to anything like the degree that has existed in recent years."

But they're making a major effort, he continued, with laboratories exploring new ways to distribute and use electricity. Some of these, he said, are "automatic equipment; the more imaginative and economical use of electronics; bigger blocks of power, with homes using the equivalent of today's small industrial and commercial establishments; and higher voltage, higher capacity transmission systems."



Selling More Means Working More

Aurora, Ill.—When Lyon Metal Products, Inc., was forced to lay off 222 workers for lack of business, J. M. Olesen, left, center, vice president, decided this was the responsibility of the sales division. He called the sales managers to Aurora and challenged them to get the men back on the payroll by selling more products.

The managers took the challenge and met it. The picture above shows some of the 145 men who have been rehired. All are expected back shortly.

Sales were boosted by having salesmen make an extra call per day and by giving them new products, new advertising, new sales promotion material, and new sales programs to help them do a better job. And as for purchasing, it has to buy a lot more these days to keep the men working.

DoALL Tool and Die Steel has the better finish

There is none
FINER
and
it costs
NO MORE!



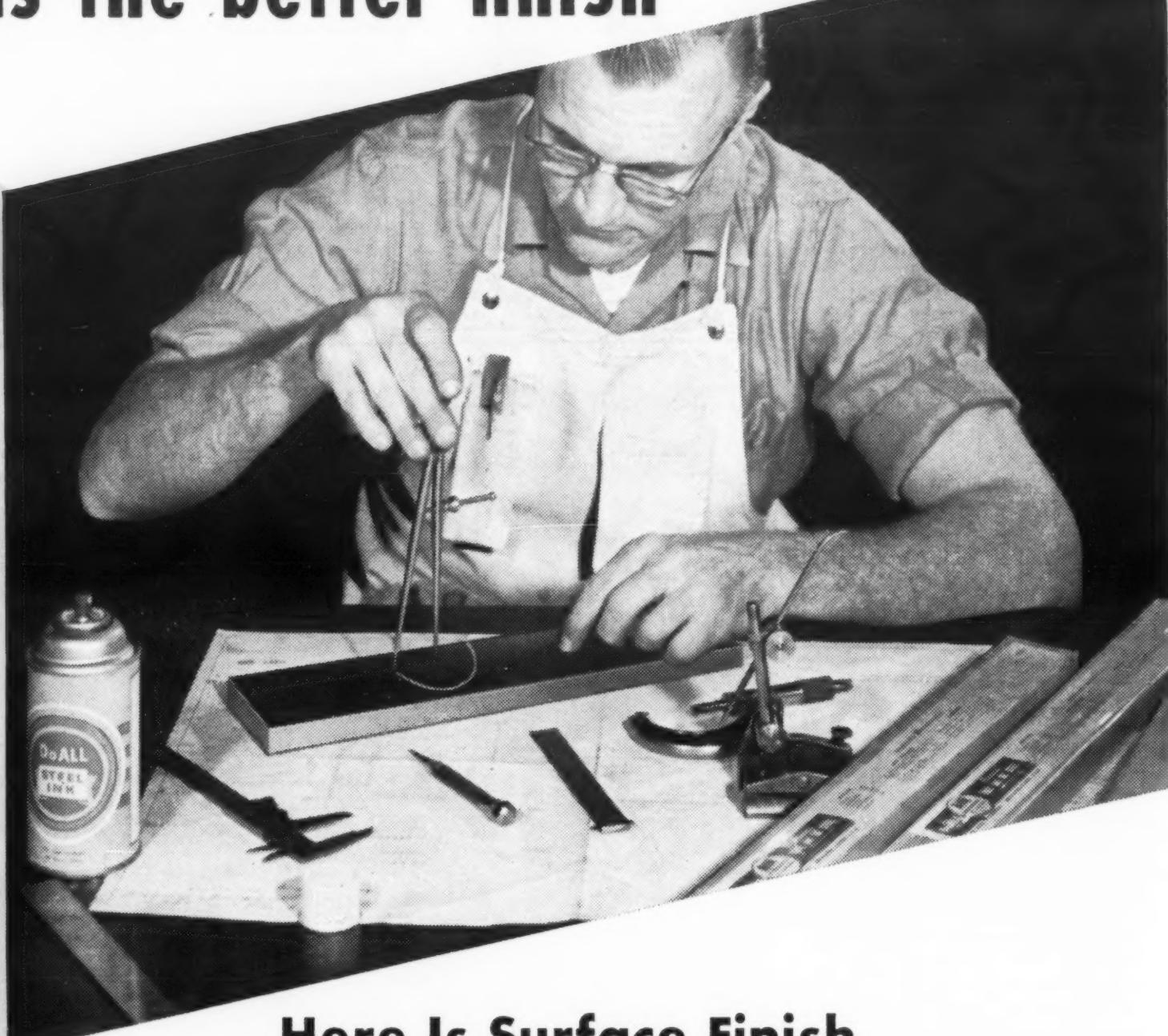
DoALL Tool and Die Steel is precision-checked for a 25 micro-inch RMS finish or better.

Compare the Finish . . .
Compare the Analysis
STANDARDIZE ON DoALL

Air Hardening Tough Abrasive Jobs SAE Type A2	Oil Hardening Proven Analysis SAE Type O1
Carbon . . . 1.00%	Carbon . . . 0.90%
Manganese . . . 0.50%	Manganese . . . 1.20%
Chromium . . . 5.00%	Silicon . . . 0.30%
Molybdenum . . . 1.25%	Tungsten . . . 0.50%
Vanadium . . . 0.30%	Chromium . . . 0.50%
	Vanadium . . . 0.20%



THIS IS A
TYPICAL DoALL STORE



Here Is Surface Finish That **SAVES** You TIME and MONEY

No need to penalize yourself with the extra costs and troubles of surface-grinding your tool and die steel—when DoALL does it for you at no extra cost!

All DoALL precision-ground tool and die steel is checked for a 25 micro-inch RMS finish *or better!*

This job-ready finish can cut your tool, die, gage and fixture costs at least 15% by doing away with all surface-grinding at your end. No chance for grinding spoilage, either. No waste.

Having more than better surface finish, DoALL Tool and Die Steel also rewards you with precise dimensional accuracy. Size is accurate to $\pm .001$ thickness, $\pm .005$ width, with squareness edge to surface .003 per inch of thickness.

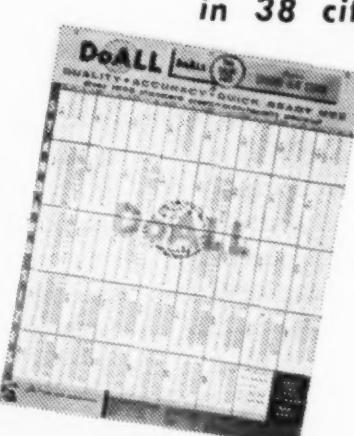
Additional DoALL Benefits

- ✓ Scheduling is speeded—just ink it, mark it, cut it, use it!
- ✓ Machining is easier—saws to any shape on a band machine!
- ✓ Heat-treating is simpler—it's non-

- deforming and distortion-resistant!
- ✓ Delivery is faster—over 1500 standard sizes stocked and ready. Prompt delivery on special sizes—all handy through your local DoALL Sales-Service Store.

FREE GUIDE CHART GIVES 1576 STANDARD SIZES!

A valuable toolroom aid, complete listing of all standard sizes of air and oil hardening precision-ground DoALL Tool and Die Steels is conveniently given on this easily read wall chart. Send for yours now.



Stocked by friendly DoALL Sales-Service Stores
in 38 cities. See your classified directory.

TS-17

The DoALL Company

Des Plaines, Ill.

Westinghouse's Kennedy Creates Not as Architect but as a P.A.

The spirit of creativeness that originally led Andrew M. Kennedy, Jr., to seek a career in architecture has guided him to a front rank position in the profession of purchasing.

"Purchasing is a creative rather than a clerical job," says Kennedy, who only 15 years after a staff cutback cost him his first job as an architect took over a top management echelon post as vice president in charge of purchasing and traffic at Westinghouse Electric Corp.

Kennedy recalls with a chuckle the circumstances which led to his abrupt departure from architecture in 1941 after graduation from Yale and graduate work at Carnegie Tech in Pittsburgh.

When Ability Counted

"I had a lot of ideas, but it was the ability which counted," Kennedy said. So the would-be architect in need of a job called a friend and by "happy accident" rebounded quickly into a job in the purchasing department of Westinghouse.

At it turned out, the font of ideas Kennedy originally believed would project him into a successful career in architecture really blossomed in purchasing. In 1951 he was named director of steel purchases for the company, in 1955 was appointed general manager of purchases and traffic, and in 1956 was made a vice president.

You Must Earn Laurels

While a firm believer in the principle that purchasing is a management function, Kennedy asserts the purchasing executive must earn his laurels.

"You don't get authority and responsibility by management decision alone," he said. "It's earned from below."

Kennedy views purchasing as performing a key communication function, serving as a channel of information and services between the suppliers' technical organizations and his own.

And it's here that the purchasing agent must demonstrate his creative ability, according to Kennedy.

"The main impact of purchasing in the eyes of management today is its ability to affect the profit of the company," Kennedy says.

The P.A. Must Reduce Costs

"Purchasing's most pressing problem," he says, "is the shrinking profit margin. You can't wait for prices to decline. In addition to improving sales volume to improve profits, you must reduce costs, and it's in this area that managements must turn to the ability of the P.A."

The purchasing executive, in Kennedy's mind, is the connecting link between his firm's products and the products of the outside world. The astute P.A., he says, is the one who knows how to make full use of his suppliers' abilities and development facilities.

Kennedy believes the creative P.A. helps improve the cost of

his product through "his special knowledge of materials and his own ability to bring the best talent of his suppliers to bear on improving the product of his own company."

"Purchasing is a profession that controls the expenditure of one half of every sales dollar," says Kennedy. "Thus you must

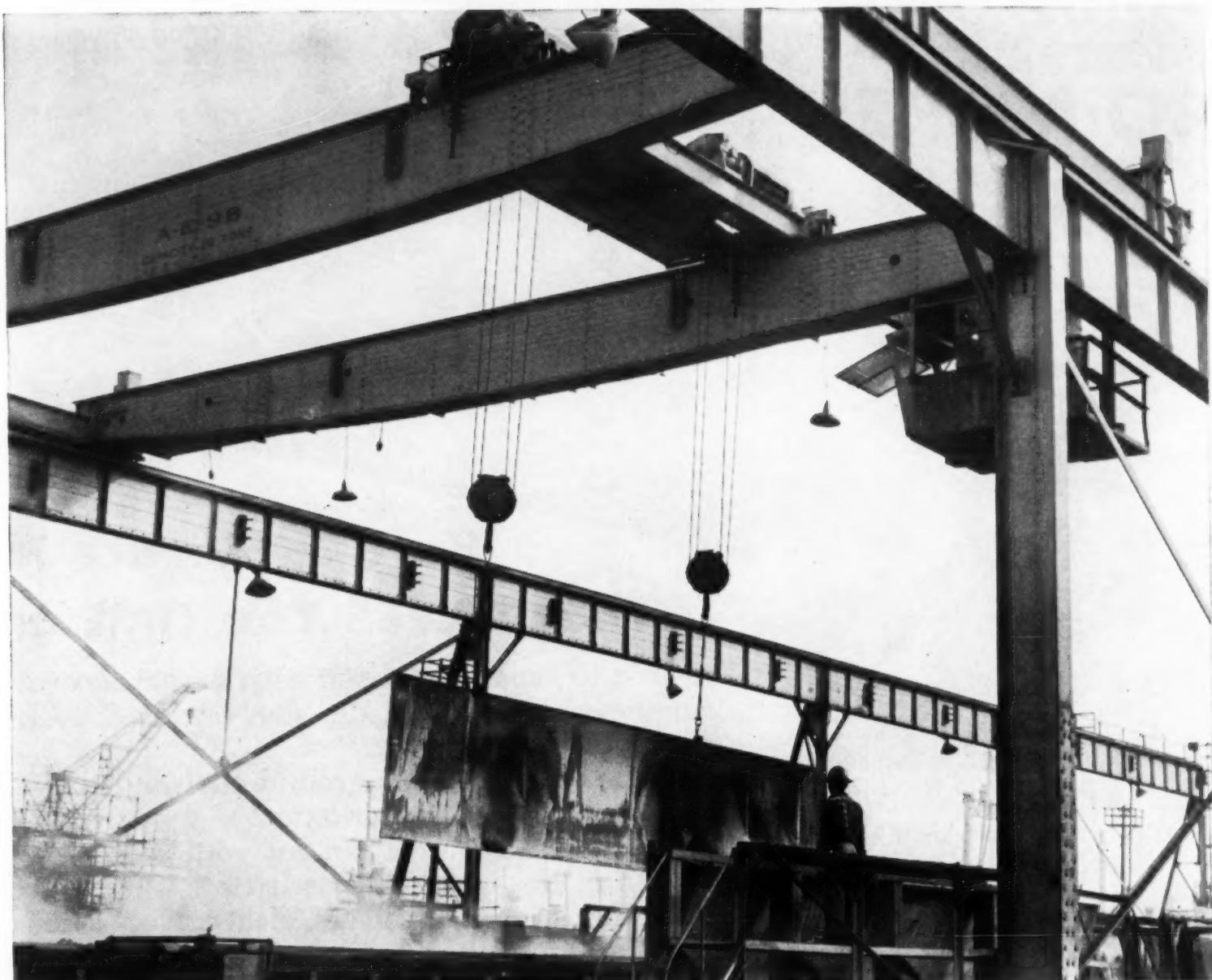
get maximum value for every dollar you spend.

"And the way to do that is to get the maximum value from those people who contribute to product cost."

NEW IDEAS pave the road to success in purchasing. That's a guiding principle of Andrew M. Kennedy, Jr., right, Westinghouse Electric Corp., vice president. An "idea man", himself, he believes hard work and creative thinking are a "must" combination of talents for today's purchasing executive.



Gulf Metalcoat A has protected this crane for 4 years—working above sulfuric acid pickling tanks! The coating is still in excellent condition.



Protect metal against corrosion up to 10 times longer with NEW GULF METALCOAT A

Brush, dip or spray metal surfaces with this revolutionary aluminum pigmented liquid coating. New Gulf Metalcoat A protects metal under the most severe exposures in marine and industrial atmospheres . . . and protects it over longer periods of time at lower cost. A 4-year salt spray test at Wrightsville Beach, N. C., proved that new Gulf Metalcoat A gave 7 to 10 times greater protection than competitive products!

Gulf Metalcoat A is recommended for piping, fences, machine parts, transportation equipment, ships, metal roofs, stacks—practically any type of steel structure.

It can be applied to rough or smooth surfaces, and the metal doesn't even have to be entirely rust-free before application! Temperature changes won't affect Gulf

Metalcoat A. And it can be removed easily by a petroleum solvent, in those cases where only temporary protection is desired!

Your Gulf Sales Engineer can show you how much less it costs to protect against rust and corrosion with new Gulf Metalcoat A. Just call him, at the nearest Gulf office.



GULF OIL CORPORATION
Dept. DM, Gulf Building
Pittsburgh 30, Pa.

This Changing Purchasing Profession . . .

Beidler, Former P.A., Named Dravo Corp. V.P.

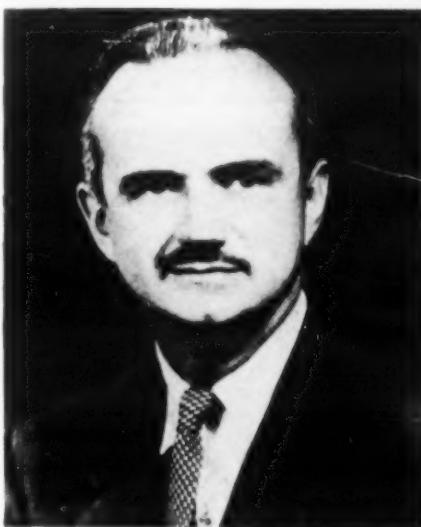
Pittsburgh—John K. Beidler, who served at one time as purchasing agent for the Machinery Division, Dravo Corp., has been named vice president, commercial. He will head up all sales, marketing and new product activities at the corporate level.

Beidler had been general manager of the division since 1952 and a vice president since 1953. Before that he served as purchasing agent.

R. Gordon Thorpe has been advanced to area sales manager for the newly created central area of Brown Trail Division, Clark Equipment Co., Spokane, Wash.

Donald J. O'Rear has been transferred to the west coast as western regional manager, Government & Industrial and Tech-Rep Divisions, Philco Corp. **John D. Temoyan** succeeds O'Rear as regional manager in Colorado Springs, Colo.

M. S. Feltz has been made marketing manager, the Acro Division, Robertshaw-Fulton Controls Co., Columbus, Ohio.



ROBERT C. BAUMGARTNER, formerly general sales manager, The Oster Mfg. Co., Wickliffe, Ohio, has been made vice president. Clare R. Metcalf, secretary, takes on the added post of sales manager.

James M. Crawford has joined Disston Division, H. K. Porter Co., Inc., Philadelphia, as assistant general sales manager. He formerly was sales manager of Lectrolite Corp., Defiance, Ohio.

Anthony DePhillips succeeds the late **George J. Soren** as assistant branch manager of the

Obituary

A. C. Ryan

Philadelphia—Albert C. Ryan, director of purchases for the Frank Piasecki Aircraft Corp., died May 27.

He had been with the firm about three years and before that had held a similar position with Belanca Aircraft Corp., New Castle, Pa., which was bought by Mr. Piasecki.

He is survived by his wife, three sons, a daughter, and five grandchildren.

Philadelphia office of Diamond Alkali Co.

James F. Griffin, former purchasing agent at O'Neil Duro Co., Milwaukee, has been elected secretary of the firm.

K. A. Jonsson has been appointed western regional sales manager for the Semiconductor Components Division, Texas Instruments Inc., Los Angeles.

Ralph E. Bryant has been advanced to Boston district sales manager by National Vulcanized Fibre Co.

J. P. Dunston has been appointed district manager of the Atlanta sales district of Kaiser Aluminum & Chemical Sales, Inc.

B. E. Phillips succeeds **L. A. DePolis**, who resigned, as gen-

eral sales manager of the Industrial Truck Division, Clark Equipment Co., Battle Creek, Mich.

Harold H. Gillespie has taken the post of general manager, Split Ballbearing Division, Miniature Precision Bearings, Inc., Lebanon, N. H. He was formerly vice president and assistant general manager, Barden Corp., Danbury, Conn.

M. J. Gazella has been promoted by the Firestone Tire & Rubber Co. from assistant manager of the Western Division to manager of the Minneapolis sales district.

Richard C. Norman has taken the post of director of midwest sales with Abbott Screw & Mfg. Co., Chicago. He had been sales manager of Hercules Fastener Corp., Chicago.



People
buy
Scott Towels
for
many
reasons:

Mr. Byron E. Horn, Purchasing Director of Munsingwear, Inc., says:

"Scott towels cut costs and give Munsingwear employees the soft, clean, efficient drying they like!"

Most of the employees at Munsingwear, Inc., Minneapolis, are women . . . and they appreciate the softness and cleanliness of Scott Towels. Men working in the machine shop, printing and shipping departments like the drying efficiency of Scott Towels—because these men get their hands much dirtier, use towels frequently. Roll type cloth towels were expensive, had to be

replaced often, weren't always as fresh and clean as employees like towels to be. Says Mr. Horn: "With Scott Towels we're saving money—but the most important thing is that our employees like them. Here, the emphasis is always on people, and we feel that in providing Scott products management is providing employees with the finest!"



Scott UHA Towels Scott Multifold Towels Scott Singlefold Towels ScottTissue

Your Scott distributor is always nearby, with complete stocks and ideas on cutting costs. He's listed in the Yellow Pages under "Paper Towels." Watch "Father Knows Best" on NBC-TV.

Foreign Perspective

JUNE 16-22

London—Purchasing agents in Britain are getting little guidance about future trends. Most prices are moving erratically between fairly narrow limits.

Most of the pull as of now is coming from the United States.

Look at copper, for example. Recent price hikes here for that metal have almost entirely reflected stateside demand. Recently cash copper closed on London Metal Exchange at its highest price for six months, following a new rise in stateside quotations.

Dealers here, however, are chary about anticipating any continuous upward trend.

For the time being, and this applies to metals generally, British consumers are tending to hold off until United States' plans to help the domestic mining industry are clarified.

Rubber is still another material where traders look to U. S.

As of now outlook for the price of natural rubber depends, in part, on demand from stateside automobile producers.

There's less uncertainty about European demand which is expected to hold up well. The market could also be strengthened by Soviet and Chinese buying.

General conclusion among rubber interests in London is that, with moderate U. S. buying, the current price should hold steady for the remainder of the year.

• • •

Bonn—New German compilation of world steel production shows U. S., Russia and Germany the three leaders in that order.

According to the German Federal Bureau of Statistics, U. S. was first with 102.3 million tons in 1957. Russia was second with 51.0 million tons (roughly half the U. S. total). Germany was third with 24.5 million tons.

The share of the European coal and steel community countries (Germany, France, Italy, Belgium, Holland, Luxembourg) increased from 20% to 20.4% of the world's steel production.

The East Block share increased from 23.2% to 23.7% while the U. S. share dropped by almost 2%—from 36.8% to 34.9%.

• • •

New Delhi—Declining exports are leading up to a new foreign exchange crisis here.

India-UK trade for the first three months of 1958 emphasizes the seriousness of the situation. The UK is India's best customer, and exports to England halved in the first quarter of 1958.

Competition from China and Japan is also pressing hard on textile exports, which since the end of World War II have been a major source of foreign currency earnings.

Important manganese ore exports also have declined—from 523,000 tons in the first six months of 1957 to 422,000 tons in the second half and to 165,000 tons in the first quarter of 1958. The latter figure compares to 250,000 tons in the corresponding period of 1957.

Shippers attribute this decline partly to rising competition from Brazil and partly to cutbacks in U. S. steel production.

• • •

Winnipeg, Canada—A Red China trade mission is in Winnipeg to buy wheat.

The mission is running into difficulty because most of the important wheat brokerage firms here are branches of American-owned companies.

These brokers say they're afraid their head offices in New York may encounter difficulties with U. S. authorities because of such sales. Some resort to using small Canadian firms as "fronts" to hide these sales.

Despite these troubles, however, some seven cargoes of wheat totalling 2.5 million bushels have been sold in this way to Red China.

• • •

Hong Kong—Cheap labor in this Far-Eastern crown colony is stirring up quite a controversy among textile people.

For nearly two years, Britain's textile industry has been protesting to the English government about cheap imports of cotton cloth from Asia.

The British government's reply is that since Britain has "special responsibilities" towards its colonies, it cannot restrict Hong Kong's imports to Britain.

British textile spokesmen point to the fact that laborers in Hong Kong textile mills are working 12 hours a day, six and seven days a week. Some mills give operators one rest day after six days work, some after 14 working days. In still other mills there is no provision for rest days at all.

England's International Federation of Textile Workers Association is also exerting pressure. Together with British manufacturers they hope to achieve some tightening up of labor laws.



TWIN CITY PURCHASING AGENTS ASSOCIATION'S new officers are pictured above. Seated left to right are E. O. Burchell, secretary-treasurer, Minnesota Mining and Mfg. Co.; C. C. Forster, Toro Mfg. Co., 4-year director. Standing left to right are Wayne Hamlett, second vice president, Continental Machines, Inc. and Robert A. Bateman, president, George A. Hormel Co.

Twin City P.A.'s Elect Officers

St. Paul, Minn.—Robert A. Bateman of George A. Hormel Co., was elected president of the Twin City Association of Purchasing Agents at the May meeting. Bateman succeeds M. R. Hendricks, Bros. Inc., who was named national director.

Other officers elected include: first vice president T. M. Stirlinger, Waldorf Paper Products Co.; second vice president Wayne Hamlett, Continental Machines, Inc.; and secretary-treasurer E. O. Burchell, Minnesota Mining & Mfg. Co. C. C. Forster, Toro Mfg. Co., was elected a director for a four-year term.

Oscar F. Litterer, business economist, Federal Reserve Bank of Minneapolis, was the speaker.

In discussing the economic outlook, he said, "In many respects, the current recession is proving similar to those in 1948-49 and 1953-54. However, the contraction in economic activity may go deeper than in the former two declines. In a shorter period of time, non-farm employment in the nation has declined as much as in the former two periods, and industrial production has been cut even more.

"Nevertheless, basic forces are already at work which will lead to a recovery," Litterer said. "As a result of the sharp decline in government security interest rates, business firms have floated issues in the capital market. The proceeds are being used to repay bank loans. In this manner, business firms are rebuilding their liquidity positions. State and local units are floating a larger amount of securities at lower interest rates for improvements."

New York P.A.'s Form Office Supply Group

New York—Some members of the Purchasing Agents Association of New York have formed an Office Supply and Equipment Group to discuss mutual problems at forums prior to the association's regular monthly director meetings.

The group welcomes all P.A. A.N.Y. members with similar interests. Next meeting will be in the Empire Suite, 4th floor, Hotel New Yorker at 4:30 P.M., June 17. H. J. Woods, Ethyl Corp., is chairman.

Cost Reduction Topic Aired at A.M.A. Seminar

New York—Purchasing agents who attended the American Management Association's manufacturing seminar here May 19-23 learned some new cost reduction techniques and how they can be used effectively.

Included among the speakers were Thomas O. English, assistant general purchasing agent, Aluminum Co. of America, Pittsburgh, who discussed "increased profits by progressive purchasing," and Louis J. De Rose, purchasing management consultant who talked on "organizing a purchasing cost reduction program."

Other topics discussed during the five-day seminar were "value analysis and cost reduction," "make or buy—a cost reduction tool," and "cost reduction through effective planning and buying."

Raymond W. Barnett, editor-in-chief, PURCHASING WEEK, spoke on "purchasing cost reduction in action" and later moderated a panel discussion on that subject.

Toledo P.A.'s Tour Plant

Toledo, Ohio—Members of the Toledo Purchasing Agents Association toured the grinding wheel plant of the Macklin Co. June 5. A picnic lunch in the Macklin Grove at Jackson followed. Tool room superintendents, master mechanics and die setters from the members' companies were invited.



N. E. STEEP, left, outgoing president of Purchasing Agents Association of South Bend, presents gavel to L. F. Hemmers at May meeting.

South Bend P.A.'s Name Hemmers To Head New Slate of Officers

Niles, Mich.—L. H. Hemmers of Miles Laboratories, Inc., was elected president of the Purchasing Agents Association of South Bend at the group's May meeting.

Other officers elected include: H. J. Baker, U. S. Rubber Co., first vice president; W. H. Van Derbeck, National-Standard Co., second vice president; R. L. Wolf, Do/More Chair Co., Inc., secretary-treasurer; and N. E. Steep, Elkhart Paint Mfg. Co., national director.

Educational chairman Glenn Oliver Clay, American Coach Co., announced that the association will sponsor an educational program next season for all members. The sessions will replace the program portion of the regu-

lar October, November, January, February, and March dinner meetings. Vincent R. Raymond, assistant professor of business administration, Notre Dame University, who will conduct the sessions, outlined the program.

The over-all objective, he said, is "to encourage the purchasing executive to develop a professional concept of his function and the role of the purchasing group in formulating company policies."

The five sessions will include company objectives and policies, an examination of master sales and production schedules, purchasing research and value analysis, inventory management, price forecasting, and effective utilization of purchasing personnel.

Meetings You May Want to Attend

First Listing

National Housewares and Home Appliances—Manufacturers Exhibits, Auditorium, Atlantic City, July 7-11.

Society of Automotive Engineers—National West Coast Meeting, Ambassador Hotel, Los Angeles, Aug. 11-14.

American Institute of Electrical Engineers—Pacific General Meeting, Hotel Senator, Sacramento, Calif., Aug. 19-22.

West Coast Electronic Manufacturers Association and Seventh Region, Institute of Radio Engineers—Western Electronic Show and Convention, Pan Pacific Auditorium, Los Angeles, Aug. 19-22.

National Hardware Convention—Marlborough-Blenheim Hotel, Atlantic City, Oct. 5-8.

Packaging Institute—Annual Meeting, Edgewater Beach Hotel, Chicago, Oct. 13-15.

Society of Automotive Engineers—National Transportation Meeting, Lord Baltimore Hotel, Baltimore, Oct. 20-22.

National Foundry Association—Annual Meeting, Drake Hotel, Chicago, Nov. 20-21.

1959

Southern Industrial Distributors' Association—Annual Midyear Meeting, Palm Beach, Fla., Jan. 12-15.

Materials Handling in Canadian Industry Exposition—The Automotive Building, Exhibition Park, Toronto, Feb. 2-6.

Previously Listed

JUNE

American Society of Mechanical Engineers—Semi-annual meeting, Statler Hotel, Detroit, June 15-19.

American Association of Cost Engineers—Annual Meeting in cooperation with Case Institute of Technology, Cleveland, June 16-18.

Second National Convention on Military Electronics—Sheraton-Park Hotel, Washington, D. C., June 16-18.

U. S. Department of Defense—Trade Fair, in cooperation with Huntington Chamber of Commerce, Huntington, W. Va., June 17-19.

American Institute of Electrical Engineers—Summer General Meeting, Buffalo, N. Y., June 22-27.

American Society for Testing Materials—61st Annual Meeting and Apparatus Exhibit, Statler and Sheraton Plaza Hotels, Boston, June 22-27.

Purchasing Agents Association of Hawaii—Hawaii Mid-Pacific Purchasing Seminar, Hawaiian Village Hotel, Honolulu, June 23-25.

American Marketing Association—Annual Convention, Harvard School of Business Administration, Boston, June 24-26.

Aviation Distributors and Manufacturers Association—31st Meeting, Mt. Washington Hotel, Bretton Woods, N. H., June 24-26.

Drop Forging Association—23rd Annual Meeting, The Homestead, Hot Springs, Va., June 25-28.

Society of the Plastics Industry—Midwest Section Conference, French Lick, Ind., June 26-27.

National Association of Plumbing Contractors—National Plumbing Heating-Cooling Exposition, Pan Pacific Auditorium, Los Angeles, June 30-July 3.

JULY

Purchasing Agents Association of Florida—6th Annual Purchasing Agents Institute, in cooperation with the General Extension Division of the University of Florida, Colonial Inn, St. Petersburg Beach, July 17-19.

AUGUST

American Society for Quality Control—Western Region, Annual Conference, El Cortez Hotel, San Diego, Aug. 7-8.

Western Packaging and Material Handling Exposition—Civic Auditorium, San Francisco, Aug. 11-13.

Institute of Surplus Dealers—Fall Trade Show, New York Trade Show Building, New York, Aug. 17-19.

SEPTEMBER

American Die Casting Institute—Annual Meeting, Edgewater Beach Hotel, Chicago, Sept. 10-11.

National Petroleum Association—56th Annual Meeting, Traymore Hotel, Atlantic City, Sept. 10-12.

Instrument Society of America—13th Annual Instrument Automation Conference and Exhibit, Convention Hall, Philadelphia, Sept. 15-19.

National Association of Purchasing Agents, 4th District—Conference, Severin Hotel, Indianapolis, Sept. 18-19.

Steel Founders' Society of America—Fall Meeting, The Homestead, Hot Springs, Va., Sept. 22-23.

The Material Handling Institute—Greenbrier Hotel, White Sulphur Springs, W. Va., Sept. 22-24.

Standards Engineers Society—7th Annual Meeting, Benjamin Franklin Hotel, Philadelphia, Sept. 22-24.

Association of Iron and Steel Engineers—Iron and Steel Exposition and Convention, Cleveland Auditorium, Cleveland, Sept. 23-26.

American Society of Tool Engineers—Semi-annual Meeting and Western Tool Show, Shrine Exposition Hall, Los Angeles, Sept. 29-Oct. 3.

Purchasing Agents Association of Baltimore—16th Annual Exhibit, Lord Baltimore Hotel, Sept. 30-Oct. 2.

OCTOBER

International Association of Electrical Leagues—Annual Conference, Washington, D. C., Oct. 1-3.

National Institute of Governmental Purchasing—13th Annual Conference and Product Exhibit, Hotel Statler, Boston, Oct. 5-8.

Gray Iron Founders' Society—Annual Meeting, Sheraton Park Hotel, Washington, D. C., Oct. 8-10.

National Association of Purchasing Agents, 6th District—Purchasing Conference, Sheraton-Mayflower Hotel, Akron, Ohio, Oct. 9-11.

National Association of Purchasing Agents, 7th District—15th Annual Conference, The George Washington Hotel, Jacksonville, Fla., Oct. 12-14.

American Gas Association—Annual Convention, Convention Hall, Atlantic City, Oct. 12-16.

National Electronics Conference—Hotel Sherman, Chicago, Oct. 13-15.

Society of Industrial Packaging and Material Handling Engineers—National Industrial Packaging, Handling and Shipping Exposition, Coliseum, Chicago, Oct. 14-16.

Purchasing Agents of Central Iowa—Products Show, Veterans Memorial Auditorium, Des Moines, Oct. 15-16.

National Association of Purchasing Agents, 8th District—Conference, Mark Twain Hotel, Elmira, N. Y., Oct. 16-17.

Foundry Equipment Manufacturers Association—Annual Meeting, Greenbrier Hotel, White Sulphur Springs, W. Va., Oct. 16-18.

Conveyor Equipment Manufacturers Association—Annual Meeting, Greenbrier Hotel, White Sulphur Springs, W. Va., Oct. 18-21.

National Association of Oil Equipment Jobbers—Annual Convention and Trade Show, Hotel Adolphus, Dallas, Oct. 19-21.

National Business Show—Coliseum, New York, Oct. 20-24.

National Safety Council—46th National Safety Congress and Exposition, Chicago, Oct. 20-24.

Air-Conditioning and Refrigeration Wholesalers Association—Annual Meeting, Sheraton Palace Hotel, San Francisco, Oct. 22-24.

Petroleum Industry Purchasing Management Seminar—Purchasing Agents Association of Tulsa in conjunction with the University of Tulsa, Western Hills Lodge on Lake Gibson, Wagoner, Okla., Oct. 22-24.

American Institute of Supply Associations—Annual Convention, Roosevelt and Jung Hotels, New Orleans, Oct. 26-29.

Independent Petroleum Association of America—Annual Meeting, Statler-Hilton Hotel, Dallas, Oct. 27-28.

American Society for Metals—National Metals Exposition and Congress, Public Auditorium, Cleveland, Oct. 27-31.

NOVEMBER

American Petroleum Institute—38th Annual Meeting, Conrad Hilton, Palmer House and Congress Hotels, Chicago, Nov. 10-13.

National Electrical Manufacturers Association—Annual Meeting, Hotel Traymore, Atlantic City, Nov. 10-14.

National Electrical Contractors Association—Annual Convention and National Electrical Exposition, Adolphus Hotel, Dallas, Nov. 16-21.

National Association of Railroad and Utilities Commissioners—Annual Convention, Westward Ho Hotel, Phoenix, Ariz., Nov. 17-20.

Society of the Plastics Industry—8th National Plastics Exposition, International Amphitheatre, Chicago, Nov. 17-21.

9th National Conference on Standards—Hotel Roosevelt, New York, Nov. 18-20.

National Retail Lumber Dealers Association—5th Annual Building Products Exposition, International Amphitheatre, Chicago, Nov. 22-25.

American Society of Mechanical Engineers—Annual Meeting, Statler and Sheraton-McAlpin

Hotels, New York, Nov. 30-Dec. 5.

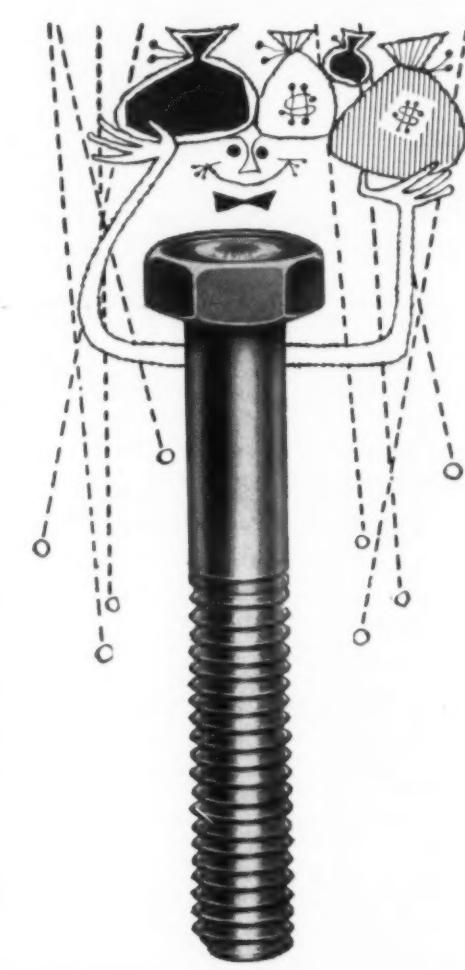
DECEMBER

Automotive Warehouse Distributors' Association—Annual Convention, Muehlebach Hotel, Kansas City, Dec. 12-16.

List Your Meetings

Associations, societies, and committees interested in calling the attention of readers of Purchasing Week to their meetings are welcome to use this column. The gathering should be one of interest to purchasing agents. There is no charge.

Send announcements to: Meetings Calendar, Purchasing Week, 330 West 42nd Street, New York 36, N. Y.



YOU'LL BE DOLLARS AHEAD WITH ALCOA ALUMINUM FASTENERS

You save dollars when you use Alcoa® Aluminum Fasteners . . . the lowest cost, corrosion-resistant fasteners available. They are a perfect color match for the aluminum products you make, and they insure against both galvanic and atmospheric corrosion. For your requirements, call your nearest Alcoa sales office. Alcoa Aluminum Fasteners . . . in all standard types and sizes . . . are readily available from the complete stocks of your local Alcoa distributor. Look in the Yellow Pages of your telephone directory. Alcoa is a "natural" for specials, too!



Exciting Adventure
Alternate Monday Evenings.

Your Guide to the Best in Aluminum Value

FREE . . . FACTS, SAMPLES . . . FREE . . . FACTS

Aluminum Company of America 2250-F Alcoa Bldg., Pittsburgh 19, Pa. Gentlemen: Please send complete specification data and samples of Alcoa Aluminum Fasteners.
Name _____
Title _____
Company _____
Address _____

Best protection against rancidity spoilage

Sustane BHA

Oil-and fat-soluble Sustane BHA gives food products greatest all-round protection against oxidation, greatest carry-through for baked goods and mixes. Not affected by other product ingredients.

Next time, specify Sustane BHA in the tamper-proof, weather-proof, easy-to-use, re-sealable metal container.

UNIVERSAL OIL PRODUCTS COMPANY
30 Algonquin Road, Des Plaines, Illinois, U. S. A.

Purchasing Week

330 West 42nd St., New York 36, N. Y.

McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

Print Order This Issue 26,618

Inventories Are P.A.'s Business

The National Industrial Conference Board recently completed a 100-firm survey that brought out a fact every purchasing man has known for a long time: Inventory is a problem. If the study had ended there, it would be of little interest to purchasing executives. But it went beyond there. In fact it put into the spotlight three points of vital importance to purchasing:

1. Management in general is dissatisfied with its control over inventories.
2. There is a lack of guiding principles upon which executives can base their day-to-day inventory decisions.
3. Only a relatively few companies view inventories in a positive light and seek increased profits from inventory management rather than the mere avoidance of losses.

The study revealed that progress has been made in solving the problem of inventory but that there is still need for more corrective steps.

Even though in some instances inventory control is not in the purchasing department's province, the problem of solving inventory woes is one purchasing men should tackle.

If any purchasing man needs an incentive to do some creative thinking on inventory controls, he does not have to look far. The conference board's study disclosed that inventories tie up nearly 30% of the working capital of the average U. S. business. That's quite a bit of money and quite an incentive.

Is Your P.R. Hat Getting Dusty?

Purchasing executives wear many hats. One that sometimes gets overlooked, though, is the one labeled P.R. (public relations).

It's easy to shrug off your role in public relations with the comment: "We have a public relations department." It is not so easy though to shrug off the ill will that can be created for an entire company by personnel who are not public relations minded. That, of course, is looking at it negatively.

Looking at it from the brighter side, we find that the purchasing department is in an ideal position to spread the good word of a company for the company. Many outside your company know your firm only through you. You are the company so far as they are concerned.

What are public relations? Well, according to Webster's dictionary they are:

"The activities of a corporation, union, government, or other organization in building and maintaining sound and productive relations with special publics . . . and with the public at large, so as to adapt itself to its environment and interpret itself to society."

In brief, public relations means building good will for your company. It's good business to build "sound and productive relations."

Don't let that P.R. hat get dusty.

Purchasing Week Staff

Publisher: Charles S. Mill

Editor: Raymond W. Barnett

Senior Editors: Willis A. Bussard, Joseph A. Cohn, Kenneth K. Kost, Robert S. Reichard, John M. Roach

Departments

Copy: Kenneth K. Kost, Anthony W. Petrovich, James P. Morgan

Features: Willis A. Bussard, John D. Baxter, Billy E. Barnes, Domenica Mortati

Layout: Leugel Foss, Patrick J. Reese

News: John M. Roach, William G. Borchert, Nancy Parkes

Price: Robert S. Reichard, Fred J. Steinberg

Products: Joseph A. Cohn, William J. Delaney, Jr.

McGraw-Hill Economics Staff

Dexter M. Keezer, DIRECTOR; Theodore C. Boyden; William H. Chartener; Douglas Greenwald; Robert P. Ulin

Washington Bureau

George B. Bryant, Jr., CHIEF; Glen Bayless; Donald O. Loomis; Roy L. Calvin; Arthur L. Moore; Anthony DeLeonardis; John C. L. Donaldson

Consulting Editors: George S. Brady, F. Albert Hayes

Advertising Sales Manager:

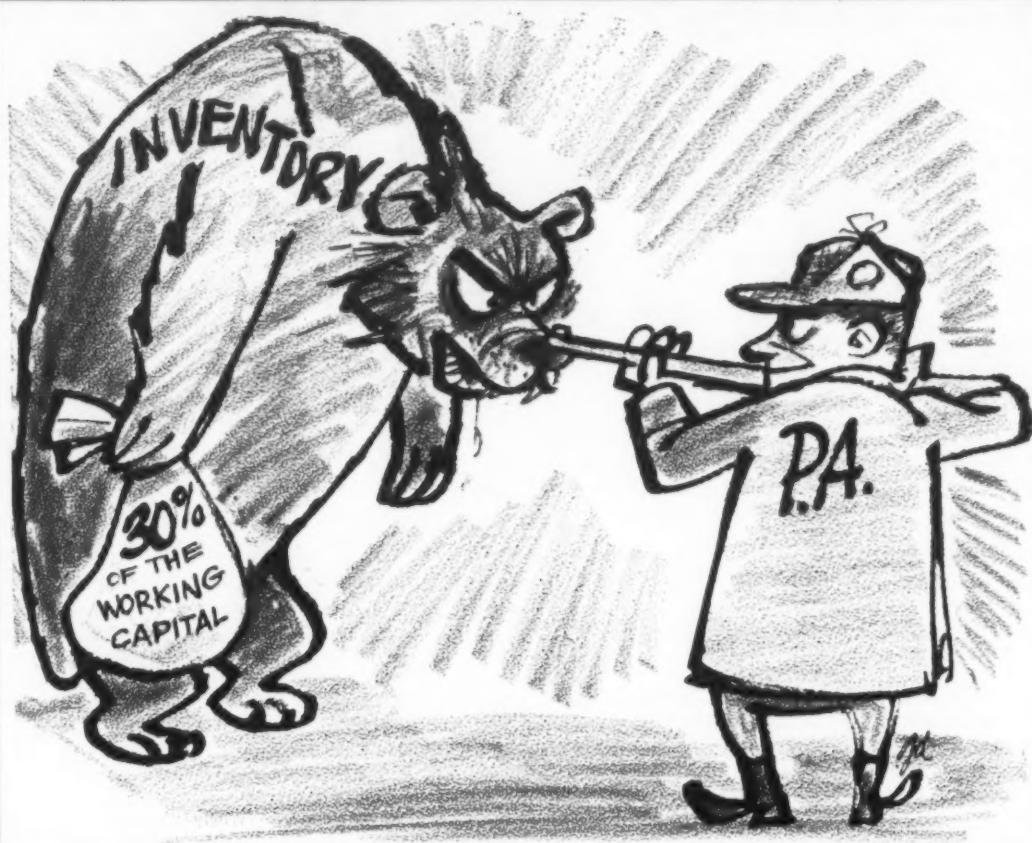
K. W. McKinley

McGraw-Hill News Bureaus
John Wilhelm, MANAGER

Atlanta: Charles T. Dixon, Jr.
Chicago: Stewart W. Ramsey
Cleveland: William G. Meldrum
Dallas: Kemp Anderson, Jr.
Detroit: Donald MacDonald
Los Angeles: John Kearney
San Francisco: Margaret Ralston
Seattle: Ray Bloomberg
Beirut: Onnic M. Marashian
Bonn: Morrie Helitzer
Caracas: John Pearson
London: William J. Coughlin
Mexico City: Peter Weaver
Paris: Robert E. Farrell
Tokyo: Sol Sanders

Circulation Manager: Henry J. Carey

Inventories Bear Watching by P.A.'s



Your Follow-Up File

Administered Prices Bring Comment

Wants Standardization Article

Waynesboro, Va.

I have only recently been receiving copies of PURCHASING WEEK and therefore missed the article "Standardization in Purchasing Brings Benefits," (March 3, p. 18).

If there are copies available, I would appreciate your sending me one.

R. E. Saunders

Purchasing Agent
Virginia Metalcrafters Inc.

2 Articles Featured Aircraft

Atlanta, Ga.

I understand you recently published an article relating to the cost and profitability of operating private aircraft in business. I would appreciate a reprint of that article.

A. B. Park, Jr.
Nachman Corp.

- We've done two on this subject: "Here's Know-How You Need to Buy a Plane," March 7, p. 6 and "Company President Shows How to Purchase a Business Plane," March 24, p. 16.

Annoying, Isn't It?

San Antonio, Texas

Recently PURCHASING WEEK carried a very interesting article outlining the purchasing agent's increasing participation and importance in management discussions and decision forming meetings.

Unfortunately we have misplaced both copies of this particular article. We find that we could make very timely use of it at this time and would appreciate your advising whether or not we could secure an additional copy of this particular issue.

I. E. McIntosh
Assistant Purchasing Agent
Ed Friedrich, Inc.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

PURCHASING WEEK Asks You . . .

What do you feel is the cost of maintaining an inventory—in other words, how long does it take to eat up the gains in quantity buying?

Question asked by: A. B. Coop, Jr., Purchasing Agent
Bostitch Inc., East Greenwich, R. I.



J. J. Dignan
Northern Illinois Gas Co., Bellwood, Ill.

"Cost varies between industries and types of material. A range might be between 10% and 30% and is influenced by cost of money, taxes, insurance, value of space, obsolescence, depreciation and danger of pilfering. The aim on inventory should be minimum investment, keeping in mind that 'an out of stock' on a needed item can be more costly to operating than the cost of sufficient inventory. Price trends are an important factor in quantity purchased. I believe the saving from quantity buying should exceed the cost of carrying the inventory by a profitable margin."

Harlan Eastman
Helipot Division, Beckman Instruments, Inc., Newport Beach, Calif.

"On standard product lines, if there is money available for investment in inventory, much more can be saved in our business by buying in economic lot sizes than is spent in carrying the extra inventories. An industry average of 17% is a realistic figure if money can be made available at 5%. We at Helipot have established a program of buying in economic lot amounts wherever possible and find the decreased cost due to larger quantity buys is one of the large factors in keeping us in a competitive position."



R. E. Baxter
Eastman Products Corp., Plano, Tex.

"Under normal conditions, anything exceeding six months' supply is considered excessive in our quantity ordering. In manufacturing screw machine products in our own plant for brass goods sales, our desired inventory should not exceed 60 to 90 days' supply. Factors such as material price changes, economic production quantities, seasonal items, and idle machine time influence our decisions to increase quantities. This helps us to take advantage of lower costs on material and labor per part and allows margin enough for a reduced turnover of twice a year instead of the standard six."



S. R. Secor
The Chesapeake & Ohio Railway Co., Cleveland



"Your question is too broad to give a direct answer. If ample storage space is available, it is felt that a saving in price of 10% on materials would justify purchasing double the normal inventory. With an easy cash position, a saving somewhat below 10% would probably prove economical. This would especially apply to railroad purchases which are mainly materials for operating maintenance and are not subject to obsolescence due to changes in design such as are encountered by industries engaged in manufacturing."

F. L. Dobbins
Boeing Airplane Co., Seattle



"Industry estimates the cost ranges from 8% to 25% a year. On most maintenance-type material and plant operating supplies, we maintain an inventory of not more than 30-60-90 days. For most items we try to arrange with suppliers to maintain stocks and deliver on short notice with a very minimum of working stock in our plants. For materials going into our end products, we don't buy speculatively, although we very often may place an order for the full quantity required on a given item for a contract. This material is scheduled in increments to arrive as needed."

THE NATIONAL SCENE



NEED ENGINEERING MATERIALS FAST?

NATIONAL FIBRE DELIVERS STANDARD GRADES FROM STOCK

Weekly materials stock reports cut delivery time!

For accurate information and fast shipments of Laminated Plastics, Vulcanized Fibre and Extruded Nylon from stock, phone your nearest National Sales Office. Every Monday morning all National Sales Offices receive up-to-the-minute information on available stock.

Stocks include grades of PHENOLITE® Laminated Plastic, National Vulcanized Fibre and National Nylon.

If you prefer, your finished part can be supplied fabricated to your specifications . . . timed to your production needs. National serves industry from five strategic fabricating plants—Wilmington, Delaware; Chicago, Illinois; Los Angeles, California; Johnson City, New York and Toronto, Canada.



Normal stocks average 30 of the most used grades including glass base, major paper and cotton base grades and those meeting Mil-Specs.



Extruded Nylon Rod is stocked in diameters from $\frac{1}{16}$ " to 2". Nylon fabricated parts can be specified in an almost limitless variety.



Commercial Fibre, used in a broad range of applications, available in sheets, $\frac{1}{8}$ " to $2\frac{1}{8}$ " thick. Colors: red, black or gray.



You profit from the efficiency of an integrated materials manufacturer-fabricator. This "single-source service" is geared to fast delivery.

SAVE TIME — CALL YOUR NEARBY NATIONAL SALES OFFICE ANY MONDAY MORNING

Baltimore	VAlley 3-0393
Boston	TWinbrook 4-3500
Chicago	AUstin 7-1935
Cincinnati	GArfield 1-0632
Cleveland	CHerry 1-2086
Dallas	DAvis 8-1733
Detroit	UNiversity 3-3632
Griffin, Ga.	GRiffin 8-1308
Indianapolis	WAlnut 3-6381
Los Angeles	RAymond 3-3129
Milwaukee	BRoadway 6-6995
New Haven	LOCust 2-3594
Newark	Mitchell 2-6090
IN CANADA:	
National Fibre Co. of Canada, Ltd.	
Toronto	LEnnox 2-3303
Montreal	AVenue 8-7536



NATIONAL VULCANIZED FIBRE CO.

Wilmington 99, Delaware • In Canada: NATIONAL FIBRE COMPANY OF CANADA, LTD. Toronto 3, Ontario



2:30 p.m.

PURCHASING AGENT'S SUPPLIER gets his orders into Air Express for pick-up at his plant.



ALMOST INSTANTANEOUSLY dispatcher from office at left gets in touch with truck driver by two-way radio. This is used in many cities. Otherwise, the driver either phones the terminal or goes there for orders.



5:30-9:30 p.m.

AIRLINER GETS CASE at New York for Chicago flight. On arrival at Chicago, truck meets plane at airport for pick-up and delivery to railroad station. Express shipments have top priority over all other cargo except mail on all-cargo lines, on passenger lines after passengers and mail.



9:45 p.m.

RAILWAY EXPRESS CAR will rush case to plant at Galesburg, Ill., because city does not have mainline air connections.



10:00 p.m.

TRAIN RUSHES SHIPMENT to Galesburg. But responsibility for delivery is still Air Express' which keeps a close tab on all shipments.



2:45 p.m.

TRUCK PICKS UP PARCEL at plant. Case shown is based on actual scheduled shipment. Speed is needed because of a broken machine in P.A.'s plant.



3:45 p.m.

CASE GOES INTO HELICOPTER at Stamford, Conn., airport. Helio service is found in few places

Air Express Service Solves Problem Of Fast Delivery on Small Shipments

Two-Way Radio, Trucks, Helicopter, and Train Help Airplane Speed 15-Lb. Package on Way From New England Supplier to Midwest Supplier's Plant in Ten Hours After Order Is Placed



12:28 a.m.

CASE ARRIVES AT GALESBURG. It could be picked up now only ten hours after Air Express had been notified to pick it up for shipment.



7:00 a.m.

PURCHASING AGENT TAKES DELIVERY in time for maintenance men to install part before plant starts. Cost: \$7.86 plus 3% federal tax.

by two-way radio
there for on

Here's What Standards Are . . .

STANDARD—(Dictionary). That which is set up and established by authority as a rule for the measure of quantity, weight, extent, value, or quality. That which is established by authority, custom, or general consent, as a model or example; criterion; test.

(American Standards Association). A solution of a recurring difficulty. It is an agreement by authority, custom, or general consent to a rule or model to be followed.

(General Services Administration). A description which establishes engineering or technical limitations and applications for materials, processes, methods, designs, drafting room, and other engineering practices, or any related criteria deemed essential to achieve the highest practical degree of uniformity in materials or products or interchangeability of parts used in those products; and which may be used in specifications, invitations for bids, proposals, and contracts.

SPECIFICATION—(Dictionary). Determination of a thing in its specific sense or particular character. A statement containing minute de-

scription or enumeration of particulars.

(National Association of Purchasing Agents). Definitions of materials or products, the purpose of which is to convey the same meaning to buyer and seller.

(General Services Administration). A clear and accurate description of the technical requirements for a material, product, or service, including the procedure by which it will be determined that the requirements have been met. Specifications for items or materials contain also preservation, packaging, packing, and marking requirements.

CODE—(Dictionary). Any systemic body of law, esp. one given statutory force; a digest.

(American Society of Mechanical Engineers). A code is a set of rules, which, if followed in building a piece of equipment should result in a safe, reliable unit. Units that conform to the code may be far from identical, but they will have the same minimum safety factor. Some codes, such as the A.S.M.E. Boiler and Elevator codes, may be written into state laws.

Here Is Who Makes Them . . .

INDUSTRIAL TRADE GROUPS are organizations of producers (distributors sometimes included) of a common product or service, or related range of products or services.

N.E.M.A. (National Electrical Manufacturers Association) and A.I.S.I. (American Iron & Steel Institute) are two organizations in this group active in standards work. Their areas of concern are apparent in their titles.

TECHNICAL SOCIETIES are groups of individuals (and companies, in some cases), with specialized technical qualifications and/or interests.

S.A.E. (Society of Automotive Engineers), and A.S.M.E. (American Society of Mechanical Engineers), are two professional societies active in industrial standards.

GOVERNMENT AGENCIES are branches of the Federal government (many states have standards and specification activities also), that initiate and use standards.

As the nation's largest single purchaser of materials and services, the Federal government's interest in stand-

ards is understandable. G.S.A. (General Services Administration), Department of Defense, and Department of Commerce are the branches most concerned with standards. G.S.A. and the Commerce Department prime concern is with standards on civilian items.

NATIONAL STANDARDS ASSOCIATIONS are bodies concerned with standards on a national basis. Such standards apply to a broad variety of industries and range of materials.

A.S.A. (American Standards Association) is the national clearing house for industrial and commercial standards. It is composed of many companies, trade groups, professional societies, and government representatives. A.S.A. sets no standards—only facilitates the developing and processing of standards.

A.S.T.M. (American Society for Testing Materials), composed of company and individual memberships, concentrates its work in materials in two areas: standardization of specifications and methods of testing, and research.

U.L. (Underwriters' Laboratories), a non-profit group, largely certifies safety standards. (P.W., Feb. 3, p. 16).

'Big View' of Standardization Presented for P.A.'s

Purchasing agents, as they work with catalogs, specifications, and drawings may well ask, "Are there any standards for standardization?" There are A.S.A., A.S.M.E., N.E.M.A., U.L., M.I.L., S.A.E., and so on through an alphabet of standards references.

Who sets these standards? How? How can an individual P.A. find information on a specific standard? Where does a P.A. benefit, and how can he contribute?

This may be a good time to back off and take the "big view."

There is another aspect to the "big view." Basic definition of a standard is important, as well as defining those often interwoven terms, specifications and codes. (See box above, left).

The American Standards Association describes the science of modern standardization as follows:

"A conscious effort, with organized machinery, to make things fit, make words have a common definition, make symbols mean the same thing in any drawing, make uniform provisions for safety to life and health."

A key in the above definition is "organized machinery." Knowledge of this machinery can place standards in clearer perspective.

Need for and use of a standard generally determine who initiates, develops, and issues, a given

standard. Obviously, if your company is the only manufacturer of platinum-plated widgets, you would be the only company interested in a standard for platinum plating of widgets. A company standard would be the result.

However, if there was a great demand for such widgets and a broad production and distribution base, then it would be an advantage to have a standard for all concerned. The group would have a need for such a standard. Most products and services are in this category. When such broad concerns are involved then trade, technical, and national groups become interested in setting standards.

Four Groups Issue Standards

There are four basic groups, or organizations, interested in initiating, developing, issuing, and coordinating industrial standards.

1. Industrial trade groups.
2. Technical societies.
3. Government agencies.
4. National standards associations.

In addition to the standards groups shown above in box, there is also an International Organization for Standardization, (I.O.S.). Thirty-four countries have national standardization bodies belonging to this organization. A.S.A. is the recognized American channel for participa-

tion. It makes information on foreign standardization work available to American industry and promotes knowledge of American standards in foreign countries.

Now, how do all these interest groups mesh without grinding gears? First, they mutually recognize one another's need for a given standard and the ability of groups to best set the standards they most need. Second, the A.S.A. does much to coordinate group efforts and relationships.

An example of the actual teamwork of responsible standards bodies, and the role of the A.S.A., is shown in the small but mighty matter of screw threads.

Through the two World Wars precious Allied cargo space was filled with extra screws, nuts, and bolts. This was due to small dimensional differences for screw threads between the American standard and the British Whitworth standard. Untold time was lost, and costs were estimated at several hundreds of millions of dollars.

In 1948 a unified screw thread agreement was signed by U. S., Canada, and Great Britain. The agreement was the result of five years of work through A.S.A., British Standards Institution, and the Canadian Standards Association. The A.S.M.E. and the Society of Automotive Engineers acted as sponsors of the American effort.

A.S.A. is also important in coordinating government and industry standards. Through the government's use of many industry standards many millions of dollars are saved. As many as seven government departments and 64 bureaus have participated with A.S.A. in developing American standards.

The government also assists industry in standards work. The National Bureau of Standards has participated in the development of nearly half of all American standards.

How Standards Are Made

Practically all groups and organizations discussed here develop and process standards in the same general way. A.S.A. processing offers a good example.

A correlating committee reviews a standards request submitted by a group or company. If warranted, they pass it to a technical committee composed of members appointed by interested groups. A subcommittee then

drafts a standard and distributes it by mail to many firms which would be affected for trial and criticism.

On the basis of answers the committee redrafts the standard and votes on it. The sponsor then submits the standard to the A.S.A. council. A favorable council vote by consensus makes it an American standard. This procedure assures that all parties

concerned have prior knowledge of it.

While there are hundreds of trade associations and technical societies, a clear idea of their operations and standards work can be seen by examining a leading group in each class.

N.E.M.A. is a trade association of manufacturers of almost every kind of equipment and apparatus used for the generation, transmission, distribution, and utilization of electric power. Membership comprises about 570 of the major electrical manufacturing companies in this country.

Technical work involved in standardization is carried on by either a General Engineering Committee or a Technical Committee. Each company affiliate has a right to designate a member of the General Engineering Committee. Subcommittees break off from these groups and process standards as substantially as previously outlined.

N.E.M.A. states clearly the purpose of its interest in standards:

"To eliminate misunderstandings between the manufacturer and the purchaser and to assist the purchaser in selecting and obtaining the proper product for his particular needs; secondly, there is economic advantage in the use in the manufacturing process of standards."

This statement is typical of

all reputable trade associations concerned with standards.

Let's look at a typical case where purchasing agents benefit through N.E.M.A. standards. When a P.A. buys an electric fan, he hears various claims on cubic feet of air moved per minute. This is a good guide to fan performance.

But at what distance from the fan is the air measured? Some fan manufacturers list high CFM for their fans where air movement is measured at 36 in. from the blades. N.E.M.A. determines CFM at 12 in. At 36 in. the air stream spreads out and picks up additional surrounding air. This results in a high CFM rating.

So when a P.A. sees "N.E.M.A. Rated" in fan catalogs, he can compare on equal claim terms. He is guided to a good fan buy through a N.E.M.A. standard.

A.S.M.E. Engaged in Work

A.S.M.E. is typical of technical societies engaged in standards work. Membership is composed of about 44,000 mechanical engineers, and about 9,000 student members in 23 professional divisions. They are members of the A.S.A. and process many standards through their divisions and general membership.

A.S.M.E. sponsors about 20 national meetings a year and issues numerous publications on standards and codes. By demanding high professional qualifications and integrity of members and encouraging their participation in standards work much technical competence results.

A.S.M.E. Codes Valuable

The A.S.M.E. activity that most affects P.A.'s is preparation of codes and standards covering such items as boilers, pressure vessels, elevators, and other mechanical devices. A P.A. buying A.S.M.E.-coded equipment is assured of safe, economical, and practical, equipment.

This review has shown who sets industrial and government standards and the machinery involved. P.A.'s wrestling with standards references, in specs, drawings, and catalogs may still be confused by specific references.

S.A.E. Also Sets Standards

For example, from what has been outlined, it may be assumed that steel standards should carry A.I.S.I. references. This may not actually be the case. If the steel in question is usable as automotive shafting an S.A.E. prefix may appear as standard.

P.A.'s may want to know if there is a standard (in any of the four classes outlined) in existence on a material or item on which they are having procurement problems.

It is even conceivable that an individual P.A. may see the necessity of a new standard on a material, service, or procedure. Can he start the ball rolling for a new standard—and how can it best be done?

Purchasing agents can best find the answers to these spe-

cific questions through certain contacts.

1. Company Engineers—On any question regarding standards meanings on specs and drawings, it is well for the P.A. to check with his company engineers. If they cannot clarify the matter, it is very possible they are members of one of the technical societies engaged in standards work. The engineers may then contact the society for aid.

2. Vendors—Supplier companies are not only specialists who can assist P.A.'s on specific standards questions but are often members of trade groups or

technical societies. If the vendor does not have the required answer, ask about his membership affiliations. Services of affiliations are often not fully utilized.

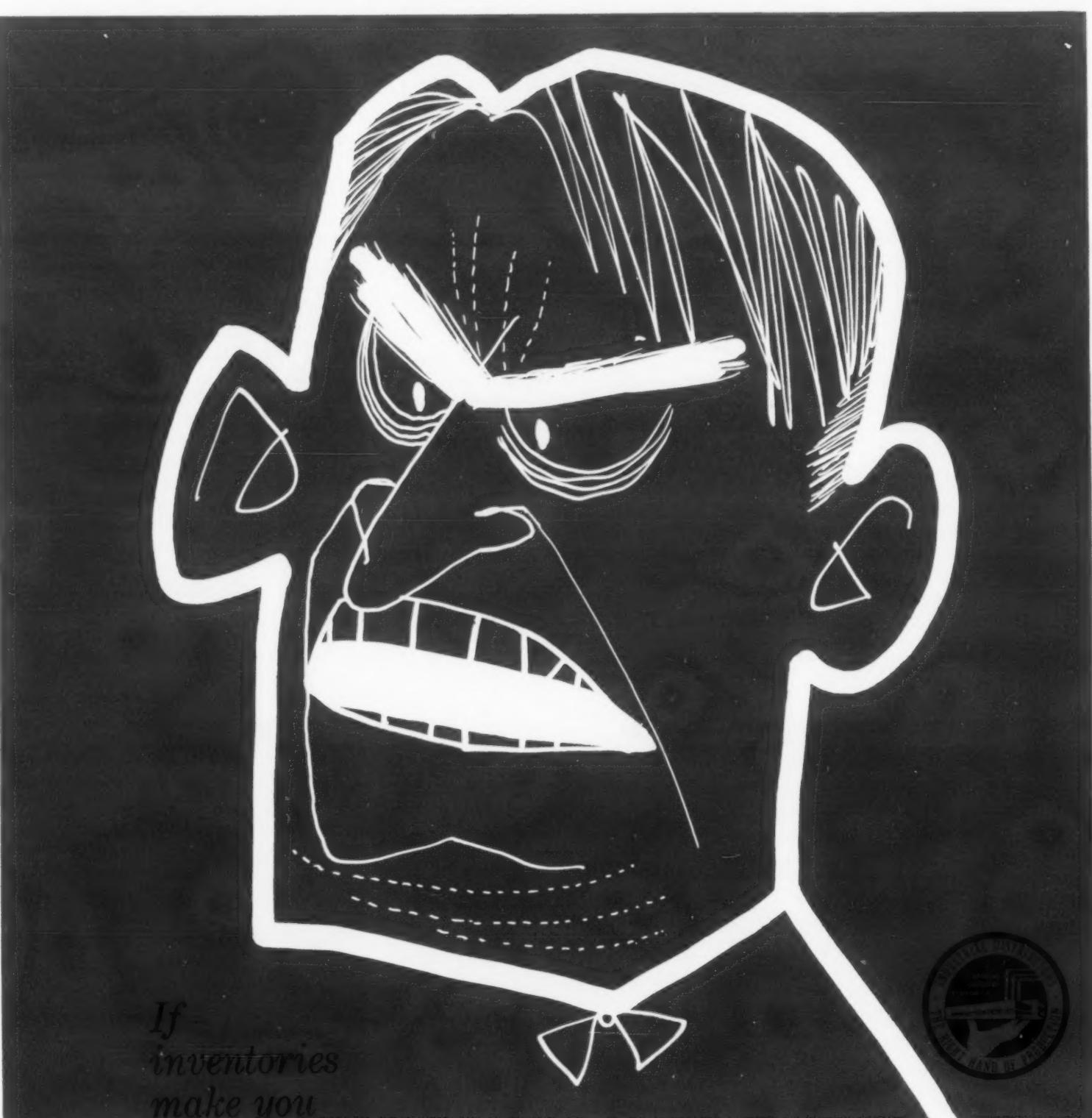
3. Purchasing Association—For members of the N.A.P.A. the assistance of the local standardization chairman can be of great help. While the N.A.P.A. is not a sponsoring member of the A.S.A., it is, however, an active member of that body.

4. Company Officials—It is probably true that many P.A.'s do not realize that their own companies are often members of

trade associations. This is something that should be known to P.A.'s for such affiliations can be helpful in standards problem. This contact is also valuable to a P.A. who feels there may be a need for a new standard. He can start the ball rolling. It is companies and trade groups that propose standards to the A.S.A. and other groups.

5. A.S.A.—This organization can often help the P.A. when all else seems non-productive of answers. Address is 70 E. 45th Street, N. Y. It should also be able to help where address of a standards group is not known.

6. Government Agencies—Contact with these government agencies can be helpful on matters of government standards. If item in question is of a civilian nature, contact is with the Standards Division of the Federal Supply Service of the G.S.A. If military in nature, contact is with the Standardization Division, Office of the Secretary of Defense, Supply and Logistics. It might also be mentioned that on commercial standards contact may be made with Commodity Standards Divisions, Office of Technical Services, Department of Commerce. All are in Washington, D. C.



*If
inventories
make you*

*"carrying-cost cranky" . . .
call
your local
industrial
distributor*

Your industrial distributor's warehouse is your stockroom . . . a wide selection of industrial equipment, tools and supplies always available. His large stocks allow you to maintain minimum plant stocks; cuts personnel necessary for record keeping. He frees money you would otherwise tie up in inventory.

**Industrial
Distribution**

A McGRAW-HILL PUBLICATION

it pays to buy from your local industrial distributor . . .

Here's your weekly guide to . . .



Tube Bending Press

Has Automatic Indexing Turret

Versatile 3-ton progressive bending press is built to speed bending of a broad range of small tub and pipe sizes. It makes up to 10 bends of varying degrees, one bend at a time, in a single piece of material without the use of internal mandrels to support the inside of the tube, and without excessive flattening or distortion. Press is designed to handle up to 1 in. OD, 14-gage steel tubing, and is capable of producing 1,000 to 1,500 bends per hr.

Price: \$5,950 (plus tooling). Delivery: 6 to 10 wk.

Pines Engr. Co., Inc., 601 Walnut St., Aurora, Ill. (6/16/58)



Hose Reel

Combines Tool Suspension/Air Supply

Single unit keeps tools always within reach and saves time on high-speed production assemblies. Spring tension of the hose reel counterbalances the weight of pneumatic drills, screw drivers, and other air tools. Spring motor provides automatic uptake of the suspended tool, and tension can be adjusted by adding or removing the coils of the hose.

Price: from \$51 to \$53 (depending on hose ID, length, or poundage of air tool support). Delivery: immediate.

A. Schrader's Son, Div. of Scovill Mfg. Co., Inc., 470 Vanderbilt Ave., Brooklyn, N. Y. (6/16/58)



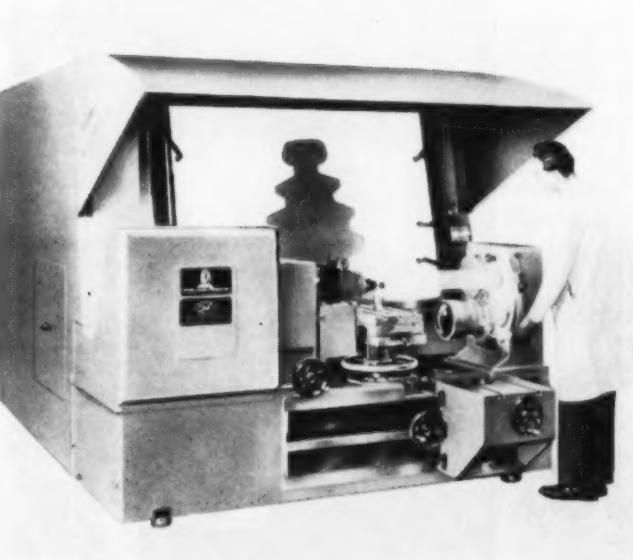
Subminiature Switch

For Space-Saving Applications

"Q" subminiature switch is no bigger than a dime. It has a 10 amp. 115 v. capacity. Snap-action switch, with unusual circular design, is especially adaptable to space-conserving applications. Switch may be used in vending devices, electronic equipment, appliances, business machines, automotive products, and communications equipment. "Q" subminiature switch is available with a tiny panel mount, push button actuator.

Price: (single unit) 65¢. Delivery: immediate.

Acro Div., Robertshaw-Fulton Controls Co., Columbus 16, Ohio (6/16/58)



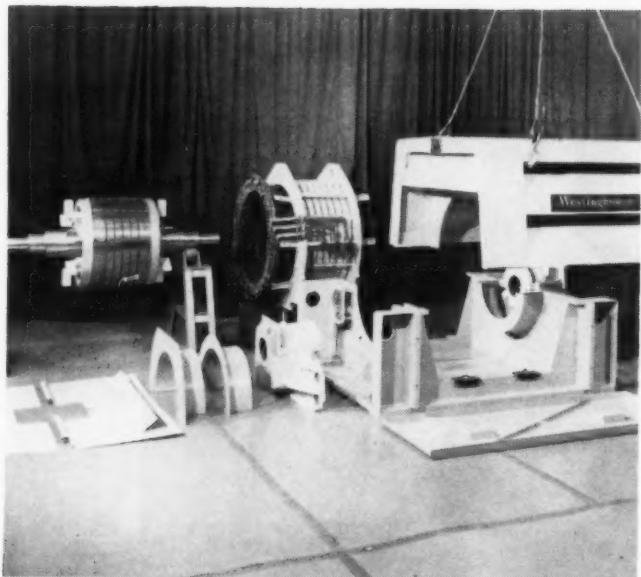
Optical Projector

Transparent Screen

Clear screen optical projector WP100 is for gaging and inspection. Screen is 60 in. wide and 40 in. high, making possible inspection of parts covering a field 6 ft. at a magnification of 10x. Projector is for inspection of contours such as templates, gears, cam forms, etc.

Price: about \$25,000. Delivery: 3 to 4 mo.

Optical Gaging Products, Inc., Rochester, N. Y. (6/16/58)



Ac. Motors

Fully Accessible

F/A motor permits different sizes (250 to 7,000 hp.) and types (30 through 51 frame size) to fit into only six basic enclosures and 30 frame sizes. F/A motor design permits a maximum in both enclosure protection and accessibility. Side panel is easily removable.

Price: \$8,000 to \$125,000 (depending on hp. and speed). Delivery: in 6 mo.

Westinghouse Electric Corp., Pittsburgh, Pa. (6/16/58)



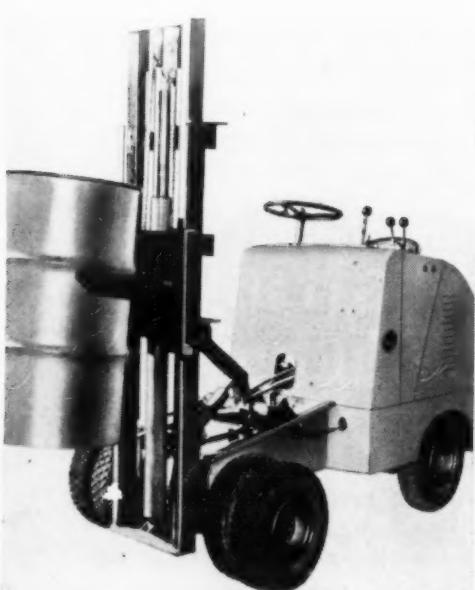
Copying Unit

Copies Large Originals

Verifax Viscount copier can copy anything from a business card to an outside 10-by-16-in. inventory form. Viscount can copy out-size legal documents, accounting forms, automotive dealer financial forms, and standard letter-size originals. Copier has an improved paper feed assembly, a new trimmer guide assembly for 10-in. paper, and an automatic timer which compensates for changes in electrical voltage. Viscount is adaptable for use with the Verifax method of producing offset masters.

Price: \$425. Delivery: immediate.

Eastman Kodak Co., Business Photo Methods, Rochester 4, N. Y. (6/16/58)



Drum Handling Attachment

For Moto-Bug Fork Lifts

Drum handler fits easily on the fork lift carriage of either Model S-10 or R-18. Attachment will handle 30 or 55-gal. drums. Because attachment takes up only a few inches more space than the drum being handled, maker says it is particularly useful for narrow aisle operation. Use in close quarter work is further enhanced by the narrow turning radius of the entire unit. Equipped with attachment, Model S-10 has 1,000 lb. lift capacity; Model R-18 a 1,500 lb. lift capacity.

Price: \$295. Delivery: immediate.
Kwik-Mix Co., Port Washington, Wis. (6/16/58)



Adjustable Stapler

Staples Corrugated Board

Clip-Top packer Model P (pneumatic) closes filled cartons from the outside with king-size staple clips. In addition, machine sets-up empty containers, ready for packing. Design uses a diaphragm chamber which requires no lubricator, no filter, nor regulator; it has only one moving part which develops no friction. Single-acting power device is friction free because the piston is never in contact with the walls.

Price: \$99.50. Delivery: immediate.
Container Stapling Corp., 308 North Park Ave., Herrin, Ill. (6/16/58)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Fork Lift Power Buggy

Has Automatic Clutch

Fork lift truck, will lift palletized loads up to 7 ft. 10 in. high. It travels on narrow runs and turns in a 45 in. radius. It is powered by a 6.8 hp. gasoline engine and has a lifting capacity of 1,000 lb. Its automatic clutch has forward and reverse gears. Fork lift power buggy unit is suitable for construction and general industrial use.

Price: \$1,295. Delivery: 2 wk.

Whiteman Mfg. Co., 13020 Pierce St., Pacoima, Calif. (6/16/58)



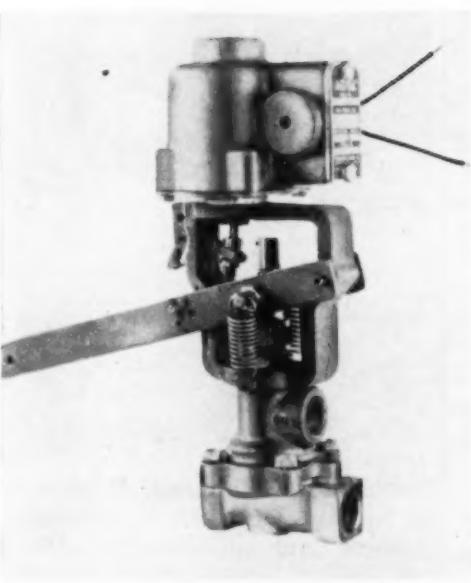
Deburring Unit

Finishes Metal Components

Roto-Matic is used primarily as a deburring unit but it also polishes to a micro finish of the order of 3 to 4 rms. Deburring and polishing also can be done on the inside diameters of parts, such as inside gears and hydraulic pistons. Roto-matic machine uses a fine abrasive media, normally between 8 and 14 mesh. A single operator, working from one control station, can operate controls with push-button panel.

Price: about \$18,000 (4 spindle), \$28,000 (8-spindle), \$42,000 (16 spindle); all without tooling. Delivery: 12 to 16 wk.

Roto-Finish Co., Kalamazoo, Mich. (6/16/58)



Solenoid Valve

With Manual Reset

Manual reset 3-way solenoid valve handles air, gas, oil, water, etc. at temperatures to 212°F. Valves are used wherever a valve is required that can be manually set and held in one position and returned to its original position electrically. Valve has a forged brass body and cast iron operating mechanism. A soft composition disc assures tight seating on all mediums. Two types of operations can be supplied.

Price: \$130 (1/2-in. size), \$140 (3/4-in. size), \$160 (1-in. size). Delivery: immediate to 4 wk.

Automatic Switch Co., Florham Park, N. J. (6/16/58)



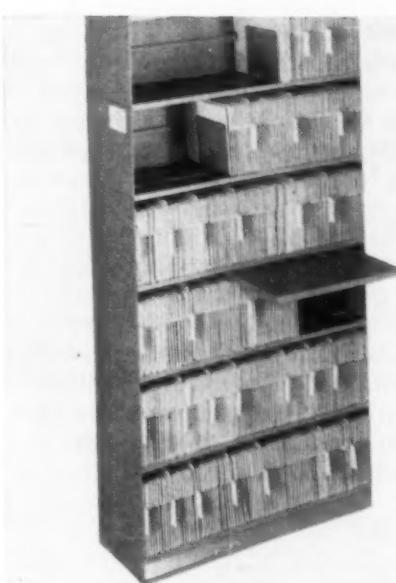
Adding Machine

Multiples and Prints Results

Ten-key adding machine is designed for automatic multiplication. Model 111V-116 performs this function along with addition, subtraction, and listing, and prints the results on tape. Model performs negative multiplication as easily and rapidly as regular multiplication. It prints all minus amounts and decreases in red, and all increases in black. Each key has a single function, eliminating the confusion of dual-purpose keys.

Price: \$495. Delivery: immediate.

Monroe Calculating Machine Co., Inc., Orange, N. J. (6/16/58)



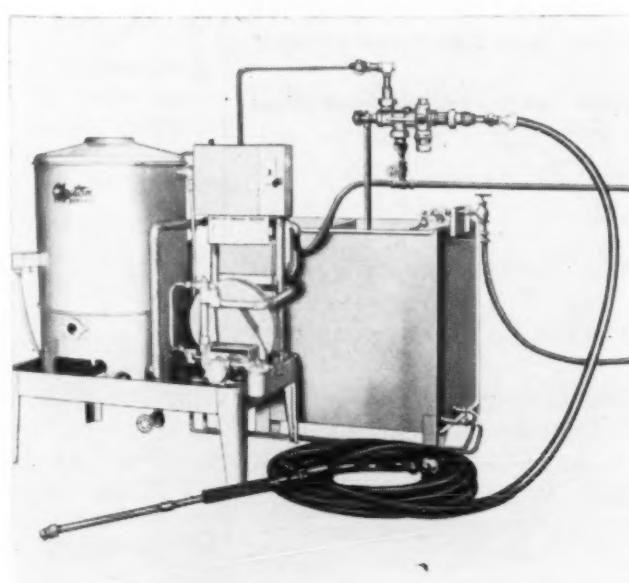
Open Shelf Filing

With Add-A-Shelf Feature

Open shelf filing is based on a modular concept. Add-A-Shelf feature allows for expansion of filing space as additional filing space is needed, one shelf at a time if necessary. Through inter-locking system, units can be added side-by-side, top-to-bottom, or back-to-back. Individual filing units lock together quickly and securely to form the solidity and rigidity of unified construction. No tools are needed to assemble.

Price: \$8 to \$15 (depending on size and with or without doors). Delivery: immediate.

Diebold, Inc., 818 Mulberry Rd., SE, Canton 2, Ohio. (6/16/58)



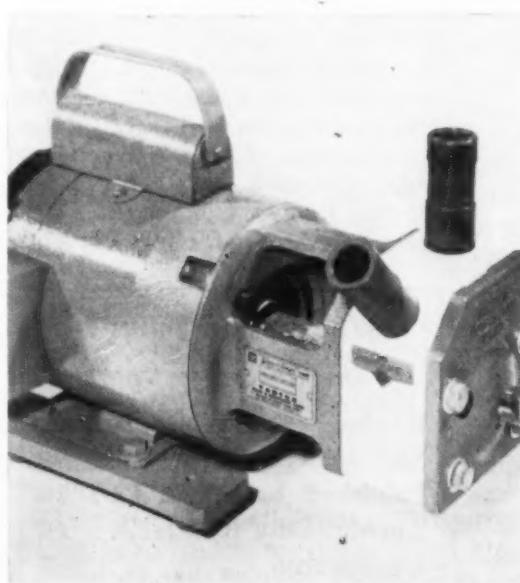
Steam Cleaner

Fully Automatic

The 280 Blast-Master heavy-duty steam cleaner delivers all or any part of a full 280 gal. per hr. of balanced cleaning solution. Model is designed for fleet operators, heavy equipment distributors, contractors, aircraft maintenance, car washers, etc. Unit is self-contained.

Price: \$1,750. Delivery: immediate.

Clayton Mfg. Co., 401 N. Temple City Blvd., El Monte, Calif. (6/16/58)



Plastic Sealless Pumps

Handle Corrosives, Abrasives

Self priming pump units are designated CC, PM, and FM. Model CC designates a close-coupled pump to motor unit. Pump head is bracketed to a 1/4 hp. motor. Model FM designates face mounted and is designed to operate with equipment that already includes a power take-off. Model PM is a foot or pedestal mounted self-contained pump assembly. This model is furnished for direct-connection to a motor device.

Price: \$175. Delivery: immediate.

Vanton Pump & Equipment Corp., Div. of Cooper Alloy Corp., Hillside, N. J. (6/16/58)



Production Table Assembly

Facilitates Machining

Stand provides mounting space for up to six tooling components for small parts machining in automatic production. Circular table can be manually turned for fixture positioning. Assembly consists of 27 1/2 in. column, clamp for holding table, and sturdy base to which pedal can be added. Assembly permits a variety of fixturing and set-up to solve single or multiple drilling, tapping, facing, chamfering and similar machining operations on long or short runs.

Price: \$291.50 (less drill and tap units). Delivery: about 1 wk.

Dumore Co., 1300 Seventeenth St., Racine, Wis. (6/16/58)

Product Perspective

JUNE 16-22

Either as a buyer or as a supplier there's much to be gained from current developments in shell-molding techniques.

Chief advantage of shell-mold castings is that they offer still another way to reduce buyer's chip making. And chip making—machining—is an expensive process. Accuracy and surface finish is suitable for most product applications. Generally, rough machining can be eliminated.

Costwise, shell castings run about as much as green-sand conventional castings. Some producers claim less for certain applications.

These are some products using shell-mold castings: tools and dies, valves and fittings, gears, automotive parts, pumps, machine tools, air conditioning, and refrigeration equipment.

On the supplier's side, shell molding is relatively new, has a big market potential. Prices and profits can be attractive. Some producers figure user's benefits justify higher prices for shell castings than for green sand castings.

You can get shell castings in nearly all metals that can be green-sand cast. You'll run into problems with low-carbon steel, pure copper, and magnesium. But the problems are not big enough to prevent use of the technique. Shell castings range in weight up to 100 lb. Heavier parts can be cast, but tooling and pattern costs begin to mount. One more comparison with green sand: lead time for shell castings is just a little longer.

Shell molds are made from sand and phenolic plastic resin. The sand-resin mix is blown or tamped around a hot metal pattern. Heat from the pattern melts the resin, binding the sand into a relatively solid mass. What's left after excess sand is dumped is a thin shell-like mold which is then hardened by heat. Final step in the process is removal of the pattern.

The phenolic binder's initial high cost has been licked by the use of resin-coated sand. But the new material is apparently ahead of the industry's ability to use it. For one thing, there are not enough coated-sand suppliers. And equipment for coating sand still needs developing, particularly along the lines of lower cost. There'll be progress in both as demand for shell castings continue to grow.

Shell molders meanwhile are looking favorably at liquid-type coating resins. Quantity users are finding them easier and cheaper to handle than powdered resins.

Primary research objective of resin producers is lower-cost resins. They are searching also for resins that will improve shell molding's ability to handle the problem metals mentioned above.

Making a shell mold involves several operations in sequence. So trend among equipment builders is toward complete automation. Automatic equipment cuts the cost of shell molds, lets you use unskilled labor. With most machines, one operator can produce four molds a minute.

But the trend is not without problems. A survey by Foundry magazine points out that nearly all foundrymen feel current shell-molding machines are too complicated, lack the kind of dependability expected of production machines. While automation lends itself to long-run production, foundrymen would like to see more equipment designed for fast changing of patterns. This would let them use the equipment more efficiently for short runs.

Equipment makers, on the other hand, say machines are being evolved that will be sturdier, easier to maintain, faster, and more flexible.

• • •

There's lots of small-business help you can get from Washington. One in particular is loaded with possibilities. The Office of Technical Service has a billion-dollar patent pool just waiting for businessmen to dip into.

The pool's an outgrowth of World War II's government contracts for defense production. Out of these contracts with private business have come a whole raft of new products. And the patents are assigned to Uncle Sam.

Generous Uncle Sam is making all this available to businessmen just for the asking. Mostly there's no charge, sometimes only a small royalty payment.

If you're looking, O.T.S. has just about everything from talcum powder to turbines, from transistors to giant generators. It's a quick, painless start on broadening your company's product line and getting into new businesses.

Profitable Reading for P.A.'s

"Reading Maketh a Full Man"—Bacon

Working With Tools

Shop Tools Care and Repair. By De Witt Hunt. Published by D. Van Nostrand Company, Inc., Princeton, N. J. 252 pages. Price: \$5.25.

This book will be of special interest to workers who are anxious to turn out well-constructed products with the greatest degree of efficiency. It is especially useful for on-the-job training programs. The book was planned to be a:

- Manual to serve operators of commercial shops involved with production or custom maintenance of tools and machines.

- Guide to shopwork teachers responsible for the maintenance of equipment.

- Chief reference on care of shop equipment in hand woodworking, machine woodworking, and metal working courses where care of equipment is integrated with the course content.

- Reference textbook in shop classes where problems of care of equipment are included in regular work.

- Textbook in "Care of Shop Equipment" as part of preparation of teachers of shop subjects.

- Handbook to provide maintenance instruction to home shop-workers.

Description of maintenance processes are supplemented with 333 illustrations; more than 200 of these are line drawings of photographs of actual work tasks. Nearly one hundred of these illustrations were furnished by industrial firms. In every unit of instruction, emphasis is on the essential information necessary for an intelligent solution of the problem.

Guide for Managers

Management Principles and Practices. By Dalton E. McFarland. Published by the Macmillan Co., 60 Fifth Ave., New York 11, N. Y. 612 pages. Price: \$9.25.

"Management is the process by which the responsible persons in an organization combine resources to achieve given ends." With this thought in mind, Dr. McFarland analyzes, interprets and describes the function of management in many types of business organizations and industrial situations. While there is no special reference to the purchasing function, the management principles outlined in this book provide a guide to purchasing executives seeking to improve their own organization.

The author stresses the managerial skills necessary for the effective direction of business organization. His analysis is based on principles documented by references to specific business situations. Both the old and the new in managerial concepts are evaluated and criticized.

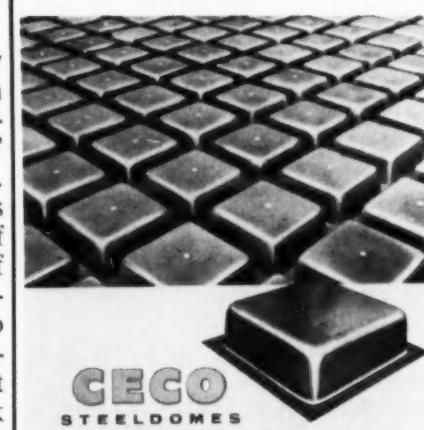
In covering all phases of business from operations management to human relations, the author recognizes the fact that production is the prime function of any organization. With this thought in mind the author presents the manager with numerous problem situations, from division making and communication to employee motivation and salary administration.



Rotac actuators are described in new catalog. It includes dimensional details, mounting data, and torque ratings. The catalog also lists 26 standard styles and 312 different modifications with outputs ranging from 100 up to 220,000 in. lb. of torque. Catalog is available from Ex-Cell-O Corp., Greenville Plant, 945 East Sater St., Greenville, Ohio.

Gas-powered fork truck is described in 6-page brochure. Photographs and drawings illustrate such features as operator comfort, maintenance accessibility and safety characteristics. Performance advantages such as turning radius and lift heights are also given. Copies are available from Industrial Truck Div., Clark Equipment Co., Battle Creek, Mich.

Pump-motor unit for original equipment requiring circulation of corrosives and for pilot plant and laboratory uses is described in bulletin No. 624A4. Specifications, performance chart, dimensional drawings and construction data are included. Bulletin is available from Gould Pumps, Inc., 44 Black Brook Road, Seneca Falls, N. Y.

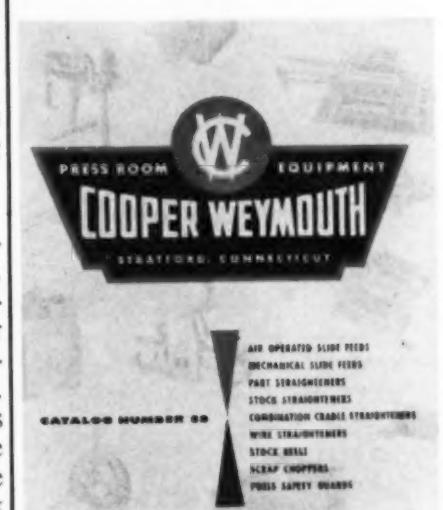


Steeldomes are described in 16-page manual, No. 4007. It contains complete tabular data covering sizes available and voids created. There are also detailed descriptions of Steeldome erection procedure, drawings of typical arrangements, and illustrations showing erection. Copies are available from CECO Steel Products Corp., 5601 West 26th St., Chicago 50, Ill.

Dredges are described in 12-page bulletin, No. 935. Photographs, profile line-drawings and text material detail the grapple, dipper, bucket, plain suction, self-propelled hopper and cutterhead

pipeline types. It also includes a complete line of special equipment, including dredge tenders, skid-mounted pumps for mining, ball-joints, cutters, and winchers. Copies are available from Ellicott Machine Corp., Baltimore, Md.

Advantages of dry-coloring technique for thermoplastic materials are described in brochure entitled, "Improved Dry-Coloring of Grex." It describes a technique for dry-coloring which employs a specially designed single breaker plate inserted behind the nozzle of an injection molding machine resulting in a savings of at least 65% over conventional color compounding. Brochure is available from W. R. Grace & Co., Polymer Chemicals Div., 225 Allwood Road, Clifton, N. J.



Power-press equipment is shown in catalog No. 58. It contains features and specifications of a full line of reeling, straightening, feeding and scrap handling equipment for power presses, power shears, etc. Copies can be obtained by writing Cooper Weymouth, Inc., 600 Honeyspot Road, Stratford, Conn.

Gas indicators are described in booklet, entitled "Combustible Gas Indicators." It shows how to select the particular instrument for a desired job, the training required to make personnel adept in the use of the indicator, and the testing procedures recommended to keep the instruments operating accurately. Copies are available from Davis Emergency Equipment Co., Inc., 45 Halleck St., Newark, N. J.

Service life of wire rope can be extended by eliminating excessive localized wear and damage, according to 4-page bulletin, No. 106. It points out that users frequently discard lengths of otherwise serviceable rope because of localized damage. It also lists possible causes of these conditions and suggests corrections that will extend service life. Bulletin is available from Advertising Dept., Leschen Wire Rope Div., H. K. Porter Co., Inc., 2727 Hamilton Ave., St. Louis 12, Mo.

Where Can I Buy?

The Record to Date

Readers' requests	115
Staff answered	99
Published in PW	16
Answered by readers	14
Unanswered	2



Tractor-Trailer 'Freight Trains' Haul Pulp

Plainfield, N. J.—Tractor-trailer "freight trains" capable of hauling up to 250 tons of pulpwood are hauling timber out of the Maine woods.

The rugged equipment, developed jointly by Mack Truck Co., International Paper Co., and B. M. Clark, trailer manufacturer, serves as a mobile extension of conventional railheads in the Maine-Canadian timberlands.

The trackless "trains" consist of as many as three rubber-tired trailers pulled by a single 170-hp. diesel engine truck. The truck also carries its own load of pulpwood.

The carrying capacity of the equipment compares with the 30-ton capacity of a conventional truck and semi-trailer. However, state regulations on legal load limits preclude use of the huge trains on any but the paper company's own private roads to the railheads.

Lukens Steel Co. Begins New Welding Line Sales

Philadelphia—Lukens Steel Co. has embarked on a new type of steel-plate merchandising with the introduction of "Plate-Mate", its own line of welding electrodes.

Lukens offers both its own range of plates and its own line of matching electrodes specifically made to its specifications, thus offering a single source for both the plate and the weld material used in its fabrication.

The company believes it has simplified the process of selecting the proper electrode for each of the more than 50 types and grades of alloy, alloy-clad, and carbon steel it makes.

"Plate-Mate" can be used in the atomic energy, bulk-materials handling, chemical processing, construction, construction equipment, heavy electrical equipment, petroleum refining, and shipbuilding industries, Lukens says.

Control Electronics Gets Coast Guard Contract

Huntington Station, N. Y.—Control Electronics Co., Inc. has been awarded an \$82,775 contract by the U. S. Coast Guard for the redesign and production of 25 automatic radio direction finders.

The redesign entails almost a complete replacement of obsolete components with newer electronic developments. Emphasis is being placed on ruggedized construction.

Texas Gulf Starts Molten Form Shipping

Beaumont, Texas—Texas Gulf Sulphur Co. has inaugurated a new method of shipping sulphur in molten form by barge.

The initial shipment was 5,000 tons in two specially designed "floating thermos bottles" for the

Monsanto Chemical Co. plant at St. Louis.

Sulphur previously had been shipped in solid form. The new method, however, eases handling, lowers costs and eliminates waste.

Molten sulphur, mined by the Frasch process, is pumped directly into the barges from the ground and is kept in its molten state by hot water jackets.

Grayson Acquires Control Of Strauss-Duparquet

Elizabeth, N. J.—Grayson Equipment Co., maker of institutional food service and freezing equipment, has acquired control of Straus-Duparquet, Inc., New York. The Straus firm produces and distributes food service equipment, supplies, furniture and furnishings for the institutional field, and makes commercial refrigerators and fixtures.

Facilities of the two companies are being consolidated and will operate as Straus-Duparquet, Inc.

Thomas & Betts Acquires Kent Mfg. Assets

Elizabeth, N. J.—Thomas & Betts Co. has acquired the Kent Mfg. Corp., Newton, Mass., engineers and manufacturers of electrical terminals in continuous strip form.

Marketing of Kent products will be handled by a division of the T&B sales department.

Sales Center Opened

Garland, Texas—Ampco Metal, Inc., Milwaukee, Wis., officially dedicated its new \$250,000 foundry and Southwest sales center here late last month. The 15,000 sq. ft. plant contains completely modern sand and centrifugal casting facilities capable of producing bronze castings ranging in size up to 2,000 lb.

General Paint Voters Approve Sale of Firm

San Francisco—Stockholders of General Paint Corp. have approved sale of the firm to Glidden, a Cleveland paint manufacturer. Effective June 1, Glidden took over General Paint's processes, brand names, and distribution outlets in the far West, and manufacturing plants in Portland, Ore., and Tulsa, Okla.

The paint plant here is not included because it is leased.

Glidden will buy General's inventory of over \$1 million at 85% of value, its plants at 80% of their \$250,000 value, and will pay General all receivables, estimated at between \$600,000 and \$1 million.

General will retain its foreign paint-making subsidiaries in Mexico and the Philippines, and its Hill, Hubbell & Co. division (pipe wrapping and coating) in Cleveland.

Armco Steel to Double Capacity at Sheffield

Houston, Texas—Armco Steel Corp., Pittsburgh, is considering plans to double its present million-ton steelmaking capacity at its Sheffield Steel Division here. Plans also call for a seamless tube plant in the area.

The firm recently merged with National Supply Co. Armco president R. L. Gray said National will continue to buy raw steel from U. S. Steel Corp. and Crucible Steel Co. But "ultimately it will be the job for Armco to take over and supply steel for National Supply," Gray concluded.

Knox Glass Expands

Palestine, Texas—Knox Glass, Inc., recently expanded its plant. The \$750,000 amber glass manufacturing facilities includes furnace, fabricating machines, and lehrs which increase production by 40%. Plant and warehouse space covers 185,000 sq. ft. on 46 acres.



Kaiser Aluminum Facility Speeds Output

Ravenswood, W. Va.—With the start of commercial operation of the quarter-mile-long "hot line" rolling facilities, Kaiser Aluminum & Chemical Corp. can now process the primary aluminum produced here into sheet, plate, and foil. The hot line facilities began commercial production May 28.

Still to be installed at the Ravenswood Works are additional cold rolling equipment and a plate stretcher. The fully integrated aluminum production and fabrication center will have an annual capacity of 170,000 tons of rolled aluminum products, adding to the growth of the Ohio Valley as a major aluminum center.

Olivetti Machine Tool Now Appointing Dealers

New York—Olivetti Corp. of America, Machine Tool Division, is setting up its own national sales organization. Dealers for Olivetti machine tools are now being appointed in many parts of the country.

The line includes sensitive drill presses, cylindrical grinders, production milling machines, automatic boring machines, and units for automation. The Machine Tool Division's headquarters is located at 42-33 Northern Blvd., Long Island City, N. Y.

Socony Mobil Develops Multi-Service Grease

Philadelphia—Socony Mobil Oil Co., Inc. has developed a multi-service grease combining the advantages of many different

greases into one product called Mobilplex EP.

According to the company, the grease withstands extreme pressures, has long service life, is water resistant and maintains chemical stability at temperatures from minus 15 to plus 300 deg. F.

Warehouse to Be Built

San Leandro, Calif.—Anchor Hocking Glass Corp., Lancaster, Ohio, is constructing a 95,000 sq. ft. warehouse, the first unit of a glass manufacturing plant to be erected here. The plant will produce glass containers for food products and other uses.

WHERE-TO-BUY

National purchasing section for new equipment, services, and merchandise

SPACE UNITS 1-6 inches

RATES \$17.15 per advertising inch, per insertion. Contract rates on request.

Subject agency commission and 2% cash discount

CHEV. & FORDS — BUY DIRECT

Factory delivery. Save freight and middle man. Trades accepted. Get our prices on trucks and special equipment, new and used, AND Chev. Impala \$2159.

Write, phone or wire
Detroit Automotive Buyers Service
14201 Joy Road Detroit, Mich.
TI 6-6200

COMPLETE SEWING FACILITIES

Pads, mattresses, cushions, premiums, covers, new items, etc. All types of sewing work, stuffing, packaging. EW 6600, N.Y.

CWW-8184, Purchasing Week
Class. Adv. Div., P.O. Box 12, N.Y. 36, N.Y.

DECALS Sketch in Color

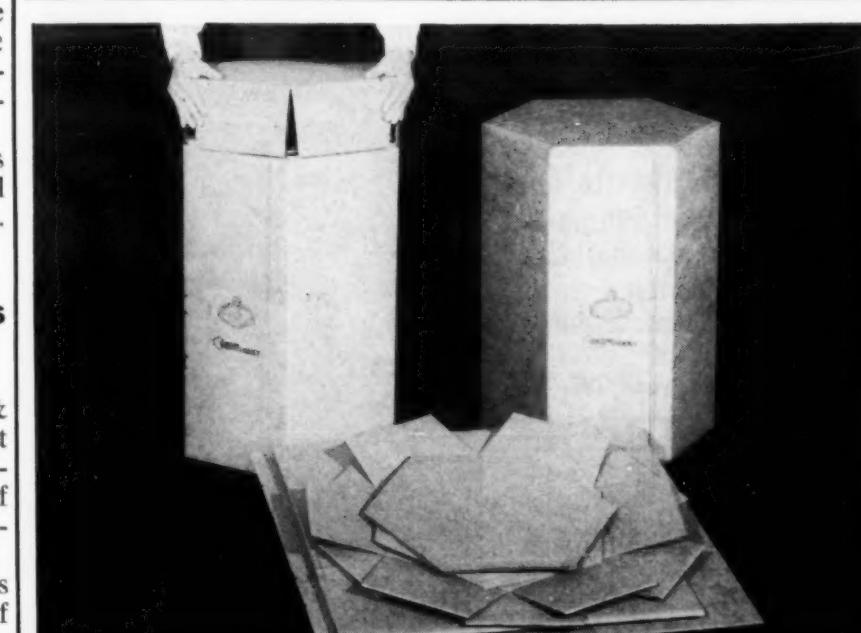
MADE to YOUR SPECIFICATIONS

WRITE FOR SAMPLES

ALLIED DECALS INC.
8406 Hough Ave. Cleveland 3, O.
Sweetbriar 1-6863

This WHERE-TO-BUY section is a special classification for advertisers desiring advertising of new equipment, services or merchandise in space units smaller than the minimum run of book display space. Space is available in this section in units from one to six inches. For low rates, Write:

PURCHASING WEEK
POST OFFICE BOX 12
NEW YORK 36, NEW YORK



New Corrugated Container Added to Line

St. Louis—Gaylord Container Corp. Div. of Crown Zellerbach Corp. has introduced a new construction principle for corrugated containers.

Called Drumpaket, the new container is available in capacities ranging from 2½ gal. to 62 gal. They are delivered knocked down flat, thus economizing in storage space and freight charges.

Drumpakets also are available in either octagonal, hexagonal, or square shapes. The bottom and top caps are self-locking into the body and eliminate the need for steel strapping, adhesives, or tape to close.

Permanent Magnets Are Now on Market

Newark, N. J.—National Moldite Co., manufacturer of magnetic iron cores and powdered metal products, is now offering permanent barium ferrite magnets.

The versatile magnets are of the ceramic type with features that benefit the user performance-wise and cost-wise. They are smaller and lighter in weight yet do not sacrifice magnetic power, are non-conducive, contain no critical material, will not rust, and are chemically inert.

According to the company, the magnets also offer greatest resistance to demagnetization, require no keepers or pole pieces, have 9000 storage life, and can be magnetized either before or following assembly of user's product.

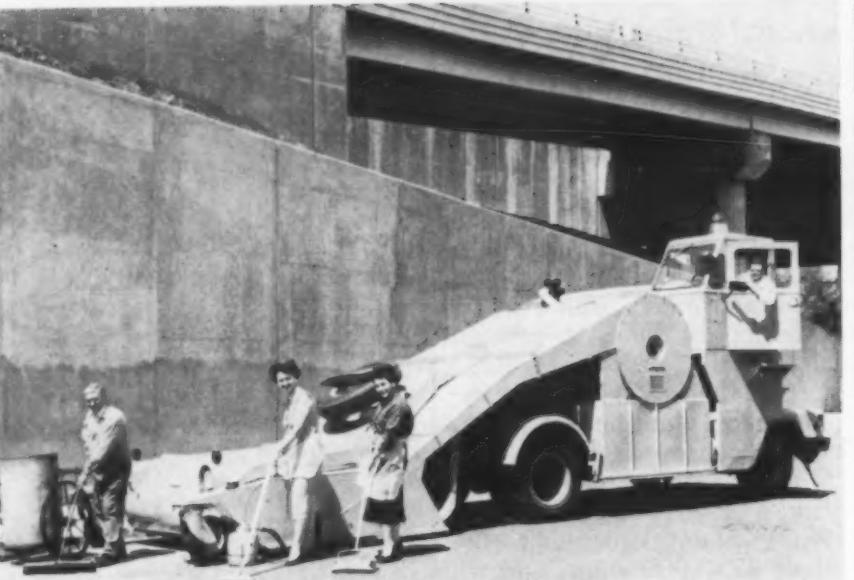
Rogers Co. Division Will Begin Production

Denver—Melvin F. Rogers Co.'s newly organized manufacturing division, Custom Electronics, will begin production here soon.

The first product will be a transistor power supply for mobile communications, the pilot model of which has been completed successfully, Rogers said. The firm's products will be shipped to radio parts distributors throughout the country.

Bids Asked on Warehouse

Denver—Electric Storage Battery Co. has called for bids for construction of a factory and warehouse addition for the manufacture of batteries. The estimated cost of a two-story addition to the present facilities is \$200,000.



Giant Cleaner Will Vacuum Roads, Jet Runways

Stamford, Conn.—This vacuum cleaner is 11-ft. high, 30½-ft. long. It was developed by Consolidated Diesel Electric Corp. under Air Force contract. Designed for clearing foreign objects off jet airport runways, the cleaner can sweep an 8 ft. swath at 25 mph.

Damage caused by debris sucked into the powerful air intakes of military jet aircraft, estimated at several million dollars a year, prompted the Air Force to contract for design of the giant cleaner. However, highway officials are interested in the possibility of adapting the unit to super-highway maintenance.

U. S. Rubber Co. Names Industrial Outlets

Los Angeles—U. S. Rubber Co. has named all the industrial supply outlets of the Garrett Corp. as distributors for its products.

U. S. Rubber items will be carried in warehouses of the Garrett Supply division here and in Phoenix, Ariz., and by C. W. Marwedel, a subsidiary in San Francisco and San Jose, Calif.

General Electric Names Iowa Distributor

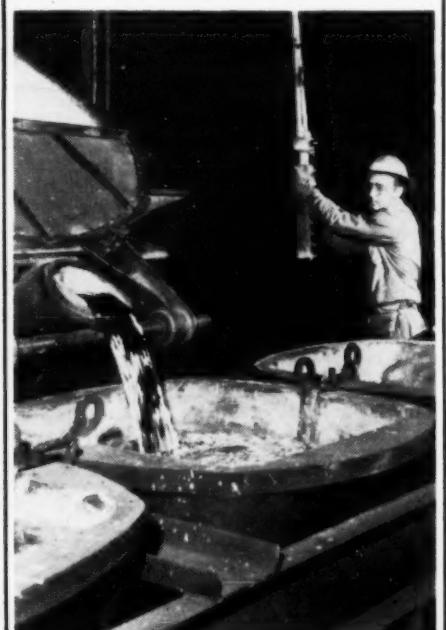
Detroit—General . . . Electric Co.'s Metallurgical Products De-

partment has appointed Industrial Supplies Co., Des Moines, its authorized distributor of Carboly cemented carbide cutting tools and blanks.

The organization will supply Iowa cities of Des Moines, Fort Dodge, Ames, Webster City, Oskaloosa, and Ottumwa with Carboly cemented carbide cutting tools, toolholders, masonry drills, and diamond wheel dressers.

Sulphur Plant Opens

Beaumont, Texas—Texas Gulf Sulphur Co.'s new sulphur plant has started production at Fannett Dome, 13 miles southwest of here. The Frasch process plant, with a rated capacity of 500,000 tons of sulphur a year, is operating at one-third of capacity, producing 300 to 500 tpd.



Pouring Aluminum

New York—An operator controls pouring of molten aluminum into 1,000-lb. pigs from a 7,000-lb. crucible at Ormet Corp.'s aluminum reduction plant near Clarington, Ohio.

One line consisting of 168 pots is producing 100 tons daily. Four additional lines will be in operation at the end of the year, according to Ormet officials. The concern is jointly owned by Olin Mathieson Chemical Corp. and Revere Copper & Brass, Inc.

Union Carbide Chemicals Adopts UCON Brand

Cincinnati—Union Carbide Chemicals Co., division of Union Carbide Corp., has adopted the brand name UCON as its trademark for marketing its fluorocarbon propellants and refrigerants.

The specific products to be marketed are: UCON Fluorocarbon 11, Trichloromonofluoromethane; UCON Fluorocarbon 12, Dichlorodifluoromethane; UCON Fluorocarbon 22, Monochlorodifluoromethane; UCON Fluorocarbon 113, Trichlorotrifluoroethane; and UCON Fluorocarbon 114, Dichlorotetrafluoroethane.

UCON fluorocarbons 11, 12, and 114 are used either individually or in varying combinations to produce the pressure necessary to dispense products from familiar push-button aerosol packages. Another market for all the UCON fluorocarbons is in air conditioning and refrigeration systems.

American Steel & Wire To Up Spheroidizing

Chicago—American Steel & Wire soon will increase its spheroidizing capacity by 75% at its Waukegan, Ill., plant with the installation of five new spheroidizing bell-type furnaces, each capable of producing 1,650 deg. heat. Construction, started a year ago, is scheduled for completion in July.

The furnaces will be used in the annealing of wire, the heat treatment process used to prepare hard drawn steel wire or rods for further reduction and shaping into end product.

Rohm & Haas Co. Opens Denver Branch Office

Denver—Rohm & Haas Co. of Philadelphia, Pa., has opened a new sales and technical branch here. Walter C. Haller, formerly of the New York office, is manager.

The Denver office, Haller said, will be the sales headquarters for the Rocky Mountain area in supplying Plexiglass as well as raw material in sheets and molding powder to plastic fabricators and molders for industrial use.

R. C. Brown to Manage N. Y. Rubber Warehouse

Dallas—R. C. Brown Co. will manage the New York Rubber Corp.'s first southwestern warehouse which recently opened at 5523 Dyer Street, Dallas.

The new warehouse has been opened as New York Rubber's major project to assist their distributor program in offering 24 to 48 hour service to industry in the southwest.

New Electrical Steel Developed by Allegheny

Pittsburgh, Pa.—Allegheny Ludlum Steel Corp. has announced the availability of a new electrical steel for use in high frequency equipment. The product, 0.004-in. Gauge Silectron Special Grade strip, has special industry uses as well as in missiles and aircraft.

Allegheny Ludlum says its Special Grade, designed for high

frequency applications where high permeability and low exciting current are essential at high inductions, will aid transformer manufacturers to reduce the size and weight of equipment without sacrificing electrical performance.

Giddings & Lewis Buys Prescott Co. Facilities

Fond du Lac—The Giddings & Lewis Machine Tool Co. has acquired the land and buildings of the Prescott Co., Menominee, Mich.

A company spokesman explained the move was made to gain another gray iron foundry facility to supplement its present unit at Kaukauna. The rest of the plant will continue to be operated by Prescott under a lease arrangement.

PURCHASING WEEK ADVERTISING STAFF

PRODUCTION MANAGER

L. W. Nelson

Atlanta 3, Ga. . . . M. H. Miller, 1301 Rhodes-Haverty Bldg., Jackson 3-6951

Boston 16, Mass. . . . Walter W. Patten, Jr., 350 Park Square Bldg., Hubbard 2-7160

Chicago 11, Ill. . . . William S. Hessey, Steven Shaw, 520 North Michigan Ave., Mohawk 4-5800

Cleveland 13, Ohio . . . William R. Freeman, 1164 Illuminating Bldg., 55 Public Square, Superior 1-7000

Dallas 1, Tex. . . . Edward E. Schirmer, 901 Vaughn Bldg., 1712 Commerce St., Riverside 7-5117

Denver 2, Colo. . . . John W. Patten, 1740 Broadway, Mile High Center, Alpine 5-2981

Detroit 26, Mich. . . . William H. Kearns, 856 Penobscot Bldg., Woodward 2-1793

Los Angeles 17, Calif. . . . John B. Uphoff, 1125 West Sixth St., Huntley 2-5450

New York 36, N. Y. . . . Harry Denmead, Charles F. Meyer, 500 Fifth Ave., Oxford 5-1587

Philadelphia 3, Pa. . . . Walter R. Donahue, Architects' Bldg., 17th & Sansom Sts., Rittenhouse 6-0670

San Francisco 4, Calif. . . . William C. Woolston, 68 Post St., Douglas 2-4600

PURCHASING WEEK

Vol. 1, No. 24

June 16, 1958

is published weekly by the McGraw-Hill Publishing Co., Inc., James H. McGraw (1860-1948), Founder. Publication Office: 99-129 North Broadway, Albany 1, N. Y. See panel below for directions regarding subscriptions or change of address.

EXECUTIVE, EDITORIAL, CIRCULATION and ADVERTISING OFFICES: 330 West 42nd St., New York 36, N. Y. Donald C. McGraw, President; Joseph A. Gerardi, Executive Vice President; L. Keith Goodrich, Vice President and Treasurer; John J. Cooke, Secretary; Nelson Bond, Executive Vice President, Publications Division; Ralph B. Smith, Vice President and Editorial Director; Joseph H. Allen Vice President and Director of Advertising Sales; A. R. Venetian, Vice President and Circulation Coordinator.

Subscriptions are solicited only from purchasing executives in industry. Position and company connection must be indicated on subscription orders. Send to address shown in box below.

United States subscription rate for individuals in the field of the publication, \$6.00 per year, single copies 50 cents; foreign \$25 per year, payable in advance. Printed in U.S.A. Title registered in U. S. Patent Office. Copyrighted 1958 McGraw-Hill Publishing Company, Inc., all rights reserved.

UNCONDITIONAL GUARANTEE—We agree, upon direct request from paid-up subscribers to our New York office, to cancel any subscription if PURCHASING WEEK's editorial service is unsatisfactory. The proportionate subscription price of any unmailed copies will be refunded.

SUBSCRIPTIONS: Send subscription correspondence and change of address to Subscription Manager, Purchasing Week, 330 West 42nd St., New York 36, N. Y. Subscribers should notify Subscription Manager promptly of any change of address, giving old as well as new address, and including postal zone number, if any. If possible enclose an address label from a recent issue of the publication. Please allow one month for change to become effective.

Postmaster . . . Please send form 3579 to Purchasing Week
330 W. 42nd St., N. Y. 36, N. Y.

Classified SEARCHLIGHT SECTION Advertising

BUSINESS OPPORTUNITIES

EQUIPMENT—USED or RESALE

RATES: \$10.00 per advertising inch per insertion. Subject to Agency Commission. Send New Advertisements or Inquiries to: CLASSIFIED ADVERTISING DIVISION "PURCHASING WEEK" P.O. BOX 12, NEW YORK 36, N. Y.

• LOOK • • BUY • • SAVE •

Largest Stock of Mining Equipment Anywhere

— We Own What We Advertise —

- Loading Machines
- Coal Cutters
- Rotary Converters
- Rails
- Copper
- Belt Lines
- Shuttle Cars
- Tipple Equipment
- Locomotives
- ONLY OUR VALUES SURPASS OUR QUALITY •

Send us your inquiries • We Buy, Sell & Trade • Thousands of other items

Phone 2825

J. T. Fish Logan, W. Va.

NEW WORMSER IRON WORKERS

I—Model T-15, Punch cap. 7/16, shear flats 3 3/16 x 9/16, complete with notcher \$2850.

I—Model T-25, Punch cap. 1 x 9/16, shear flats 3 3/16 x 5/8, complete with notcher \$4450.—All prices F.O.B. St. Louis . . .

MUNICIPAL TOOL & MACHINERY CO.
1522 North Broadway St. Louis 6, Mo.
Ph. MA 1-1500

FOR SALE

STEAM ENGINE

Allis-Chalmers 570 H.P. Corliss Steam Engine Square Bonnet Cylinder. Very Good Condition.

McKEE BUTTON COMPANY
MUSCATINE, IOWA

NOW . . . you can reach a potential buyer for only 4/10,000 of \$1.00. Yes, that's all that a one inch "SEARCHLIGHT" advertisement costs you to contact one of PURCHASING WEEK's 25,000 key purchasing executives!

SURPLUS INVENTORIES . . .

One quick and economical way to sell your surplus inventories is to advertise them in the ONLY NATIONAL WEEKLY PURCHASING NEWSPAPER . . . PURCHASING WEEK.

PURCHASING WEEK reaches the 25,000 key purchasing executives . . . the men that have the authority to say "yes".

For quick economical results . . . advertise your surplus inventories in PURCHASING WEEK . . . at the low, low, rate of \$10.00 per advertising inch. For contract rates or information, contact your advertising agency or write:

PURCHASING WEEK
CLASSIFIED ADVERTISING DIVISION
Post Office Box 12 New York 36, N. Y.

where
low exci-
tal at high
transformer
the size
at without
performance.

buys
ties

buildings &
Co. has ac-
buildings of
Kenominee,

man ex-
made to
in foundry
s present
rest of the
operated
lease ar-

GER

H. Miller,
ldg., Jack-

W. Patten,
Hubbard

S. Hessey,
Michigan

William R.
ing Bldg.,
ior 1-7000
Schirmer,
Commerce

W. Patten,
gh Center,

H. Kearns,
Woodward

hn B. Up-
Huntley

Denmead,
Fifth Ave.,

R. Dona-
th & San-
670
William C.
Douglas

June 16, 1958
McGraw-Hill
Graw (1860-
ice: 99-129
See panel
subscriptions

ATION and
42nd St.,
McGraw,
Executive Vice
President
Secretary;
President,
Vice Presi-
Advertising
President and
from pur-
position and
indicated on
address shown

for indi-
cation, \$6.00
foreign \$25
Printed in
ent Office.
Publishing

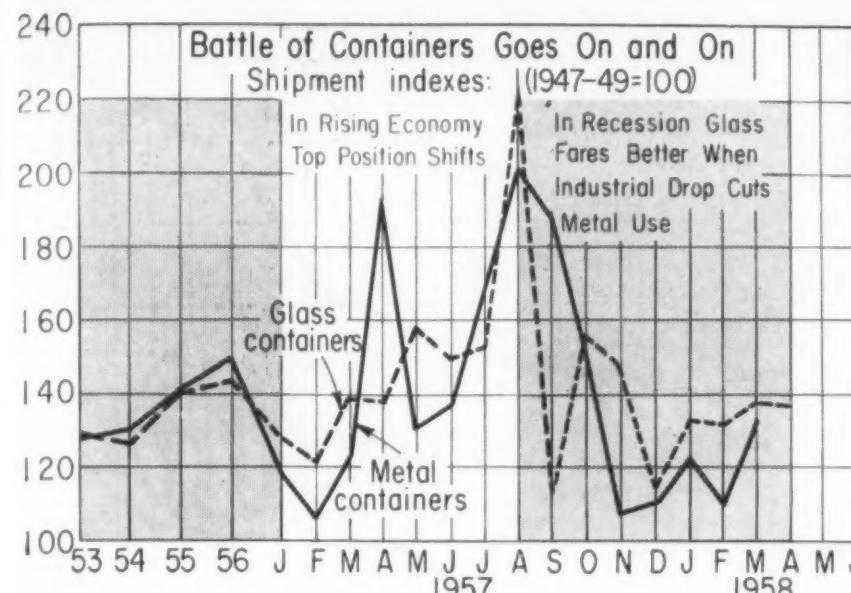
We agree,
subscribers
any sub-
editorial
proportionate
ailed copies

cor-
is to Sub-
Week, 330
Y. Sub-
tion Man-
address,
ress, and
any. If
el from a
Please
o become

3579 to

N. Y.

3, 1958



Packaging Container Industries Maintain High Level of Activity

Domestic Producers Introduce New Techniques; Area Titled Fastest Expanding in Economy

New York—The domestic container and packaging industries are maintaining a high level of activity through the current industrial downturn. That's primarily because this area is one of the most rapidly changing and fastest expanding in the economy.

Manufacturers' physical sales in 1957 were just 2% below the record set in 1956. Although another 2% decline in activity can be expected this year, the long-term growth trend will not be arrested for long.

Average Tags Up 3%

Average tags which are up about 3% from a year ago, have leveled out. P.A.'s can expect the level trend to continue, despite some hikes in labor, freight, and raw materials. Increased competition will see to that.

The fact that most packaging materials are in ample supply will tend to step up the pace of the "packaging revolution" for the next two years. Most producers will be selling aggressively from here on in. And they will be anxious to develop new products and methods to adapt their wares to your particular business needs.

So this may be a good time to carefully analyze your packaging needs in the light of many new and money saving packaging materials available.

Trend Shows Cost Cutting Way

Besides stimulating new products, the current recession has started a trend to cut packaging costs. Such factors as reducing "air space" between package and product and multi-packaging are getting a close look from many firms.

Specific packaging areas shape up as follows:

Both glass and metal containers continue their slow long-term use growth. They now take 10 and 19% of the container and packaging market respectively.

Glass container use could rise slightly above last year in 1958. That's because of their heavy use by food, beverage, medical, and drug manufacturers. These users are not generally suffering much of a downturn in the current recession.

The chart (at the top) shows how glass shipments have held up during the past months. Glass container shipments through April were 2% above a year ago.

Metal can use, on the other hand, is not likely to rise above last year in 1958. Shipments in 1957 were down 4% from the record 1956 total. The chart shows the relative decline in metal can shipments as compared with glass container activity in the past six months.

Metal Container Use Drops

A drop in the use of heavy industrial metal containers, should be offset by increased use from beverage and sundries manufacturers in 1958.

The paper and board segment of the packaging industry is taking the biggest licking in the current recession. Shipments so far in 1958 are running better than 4% behind last year. That's on top of a slight decline registered in 1957. This downturn reflects the drop in durable goods shipments which is only partially being offset by the increased use of paper boxes for consumer goods.

Prices of corrugated and other board packaging materials continue under heavy pressure.

P.A.'s should watch closely for further price cuts.

Plastic Growing Rapidly

Plastics continue to be the most rapidly growing area in the containers and packaging field. Shipments last year topped 1956 by more than 3%, a new record. And a further rise of some 5% in plastic packaging activity is not unlikely in 1958.

The biggest growth material in the plastics field continues to be polyethylene, both unsupported and in combination with other materials. This new and versatile material showed a better than 15% rise over 1956 last year. Increased use and improved production methods have helped ease plastic tags. The price of high pressure polyethylene resin has dipped 7% in the last year.

Copper Mine Shuts Down

Miami, Ariz.—Miami Copper Co. has ordered a 28-day shutdown starting June 30 because of heavy copper stockpiles. B. R. Coil, general manager of the Arizona mining operation, said the move will reduce production by about 325 tons a month and will bring production into balance with consumption.

Price Changes

Copper—Domestic custom smelters raised their copper price by 1 1/4¢ per lb. It puts the price at 26¢ per lb., 1¢ above the primary producer's quotation. The price strength comes from announcement that the U. S. government may again buy copper in the open market, and the possible reinstatement of the 1.7¢ per lb. tariff on U. S. Copper imports June 30.

Cotton Twill—Tags of cotton twill fabrics are down 1 1/2¢ to 1/2¢ a yard at leading mills. It leaves twill prices at the lowest point since November, 1957. The drop is reportedly due to stiff competition from independent textile converters.

Sanded Plywood Panels—Tags of sanded fir plywood panels are up \$4 to \$68 a thousand sq. ft. This is still \$2 below the year-ago level. The boost is due to upped demand and some vacation shutdowns of mills in the northwest.

Polyvinyl Alcohol—The DuPont Co. has cut the price of "Elvanol" polyvinyl alcohol by from 4 1/2% to 15% in five major grades. The cuts were made in the hope of expanding the markets for these products.

Flat Rolled Steel—Detroit tags of flat rolled steel products have dropped \$2 per ton. The cut was made through the absorption of some freight rate charges by steel producers. Other finished steel tags in Detroit have been cut by similar amounts.

Gasoline—A 1/2¢ per gal. rise in gasoline prices in the mid-continent area has been announced by several refineries. It raised regular gasoline tags from 11 1/2¢ to 12¢ per gal. Premium gasoline is now quoted at 15¢ per gal. and 60 octane gasoline at 11 1/2¢ per gal. The increase is the first mid-continent area advance in more than a year, and is due to upped demand and declining inventories.

Chlorothene—The Dow Chemical Co. has announced a 1¢ per lb. reduction in tank car quantities of Dow 1,1,1-trichloroethane. It leaves the tank car price at 13.75¢ per lb. The cut is attributed to increased industrial use and upped output.

Electroplating Chemicals—The DuPont Co. has cut the price of copper cyanide and potassium cyanide by 2.5¢ per lb. The new prices are 60.9¢ per lb. for copper cyanide and 42.5¢ per lb. for potassium cyanide in amounts of 20,000 lbs. and over.

World Cotton Group Asks Lower U.S. Prices

(Continued from page 1) sales over the long term, despite a current gloomy outlook on world cotton consumption in the immediate future.

But cotton must maintain its competitive position with man-made fibers, the committee warned.

The United States was commended for the "responsible and careful manner" in which it disposed of its surplus stocks, thus contributing to renewed confidence in the world market.

Railroads Turn to Local Buying To Reduce Costs, P.A.'s Hear

Association of American Railroads Purchasing Division Advised Not to 'Wear the Sad Face'

(Continued from page 1) ing and stores officials attended the 1 1/2 day meeting.

Fair emphasized that even though the situation is not bright, railroad purchasing agents should not "wear the sad face," but should keep working toward better conditions "with cheerfully aggressive confidence."

Twelve committee reports were presented on subjects ranging from the need for conservation of forest products to savings through standardization.

The committee on purchasing department procedures, headed by E. F. Schaefer, of Pittsburgh and Lake Erie Railroad, found that local buying at the point of use can be accomplished with a minimum of extra cost or, in most cases, with a saving.



E. F. SCHAEFER

The report said in some cases local buying would not cost any more than so-called centralized purchasing, stocking, and distributing, and that in such cases a real saving could be made by eliminating the handling at a central warehouse.

Some locally-purchased items, it found, will cost more, but this additional cost, if nominal, could be considered as being equal with centralized purchasing after considering:

1. Material handling charges
2. Inventory holding costs
3. Possible labor savings in paper handling in purchasing, stores, and accounting functions
4. Improved public relations at the local points involved.

"Extension of local buying can probably be best accomplished," the report stated, "by having an agent of the purchasing department, together with a stores representative, visit and discuss supply problems on the ground with local suppliers."

Best Items for Local Buying

The committee's study listed these items as lending themselves particularly well to local buying: pipe and pipe fittings, bolts, nuts, rivets, lumber, miscellaneous electric items, hardware and mill supplies, glass, drugs, chemicals, painters' supplies, cleaners, and train and station supplies.

Other committees investigated such areas as:

- The impact of technical advances on the preparation of scrap and effect it will have on

railroads' realization from its sale.

• Methods of accomplishing inventory reduction.

• Savings realized in using a fuel oil of adequate but not necessarily high quality.

• How broader standardization can save the industry many millions of dollars.

Schaefer's committee also reported on results of a survey of 23 railroads on the pros and cons of checking prices on invoices by the purchasing department.

Many Errors Uncovered

The study revealed that of 383,792 invoices checked for the period November and December, 1957, and January, 1958, with a total value of \$190,630,096, there were 10,478 error invoices, with a dollar value totaling \$330,146. Payroll expenditures pro-rated to actual time spent in checking of prices was \$56,274. For each payroll dollar spent, \$5.87 was realized.

The committee suggested that each individual railroad establish its own minimum value of invoice to be checked, results of the survey were inconclusive on this point, based on their volume and cost for so doing. It recommended that invoices be checked as to price and all other terms of purchase.

At the meeting, Ottis O. Albritton, vice president, purchases and stores, Illinois Central Railroad, was elected chairman of the group, succeeding Fair. Albritton was succeeded by Edwin A. Bromley, vice president, purchases and stores, Canadian National Railways, as vice chairman.

A.S.A. Plans Discussion on Container Standards

(Continued from page 1) mechanical Engineers and the American Material Handling Society.

The committee's scope will cover standardization of sizes of pallet containers, cargo containers, and van containers suitable for interchangeable use on different types of transports—rail, truck, plane, or ship.

The A.S.A. action followed closely on the report of a combined industrial committee which said tremendous cost savings could be affected by use of a standardized shipping container program (P.W., April 28, p. 1). The industrial committee, representing railroads, airlines, equipment handlers and manufacturers, said it recognized an "urgent need" for standardization of cargo containers or demountable truck bodies for handling dry and refrigerated freight.

Cyril Ainsworth, A.S.A. deputy managing director, said "it is expected that standard sizes of interchangeable shipping containers will reduce transportation costs of practically every shipper in the country." The project, he declared, should be of interest to "every company and organization that makes, distributes, carries, and receives goods."

Purchasing Perspective

JUNE 16-22

(Continued from page 1)

necessarily unjustified. Public buying is big business. Purchases of goods and services by state and local governments last year totaled some \$36 billion. Federal procurement of goods and services amounted to upwards of \$50 billion. It all adds up to a major slice of the nation's over-all economy.

• • •

Reports that a major oil company is about to retire 10 members of its purchasing staff are making the rounds of the New York purchasing fraternity. The retirements, due in October, are understood to be "voluntary", but some little eyebrow-raising has occurred over claims that several of the retiring P.A.'s are substantially below the 65-year retirement deadline, with at least one in the 55-year bracket.

An unofficial version goes that the company is willing to let the men go at this time in an opportunity to cut administrative costs without outright dismissals.

At any rate some substantially valuable purchasing talent apparently soon will become available.

• • •

Purchasing agents, who have front-line assignments in the battle to pull out of the recession, are optimistic but continue to be wary in their inventory and buying policies. The May business summary of the big Chicago P.A. Association comments: "The business decline has slowed but there still is no clear sign that the recession is off the bottom. The demand for finished goods and raw materials continued in May to reflect the slack in overall business conditions, accompanied by further inventory reduction."

But in answering the association query on "how do you expect to find business conditions in your company during the last half of 1958 as compared with first half of 1958?" the Chicago P.A.'s replied: Higher—65%, same—28%, and lower—7%.

Other P.A. business survey commentary: Pittsburgh—"It is evident that a better business tone has developed in the past month. Many are on record as feeling that we have passed the low point but few look for a strong or rapid recovery." **Cleveland**—"Holding of inventories to the level of production or further reduction is still the 'order of the day.'" One member sums it up this way: "Believe that inventories are commencing to reach bottom but can see no reason to rebuild inventory in this market. There may be a h-l of a scramble for some basic raw materials in the 4th quarter."

• • •

"Fishy-back" transport, carrying of loaded truck trailers on steamships, is nothing new, but it has not reached the stage of development attained by its big brother "piggy back", the integration of motor transport and railways. However, there's a bigger future ahead for "fishy-backing." The boost is due after opening of the St. Lawrence Seaway next year. The seaway route will permit ships to carry truck trailers halfway across the American continent.

Stockpile Offer Boosts Copper

(Continued from page 1) stockpile, subject to congressional approval, would satisfy domestic producers.

The government proposal immediately sparked a sharp rise in copper prices both in this country and abroad. By mid-week leading domestic custom smelters had increased their price to 26¢ a lb., a 1 1/4¢ rise. The London Exchange recorded a similar surge. There also was speculation that domestic producers would begin moving up their prices from the 25¢ level.

The move is primarily strategic. It removes copper producers from the ranks of protectionists aiming to write import quotas into the Reciprocal Trade Agreements Act Extension Bill. At the same time, it assured stronger support in the Senate for Seaton's proposed subsidies for other domestic metals and minerals—

including lead and zinc.

Seaton's rejuggling of proposed domestic mining support legislation doesn't mean that either the copper stockpile or the price subsidy plan for lead, zinc, fluorspar and tungsten will go through. Mining-state senators, lead by Senators James Murray and Mike Mansfield (D-Mont.), hope to add asbestos, chrome, antimony, cobalt, and mercury—and possible manganese—to the subsidy bill. Also, there is strong opposition to the appropriations request both the copper stockpile and subsidy plan would require. The copper measure would cost an estimated \$82.5 million, the subsidy program at least \$100 million.

But the Administration is moving to ease passage on its trade bill, and in the process is now committed to at least try to push through some new domestic mining industry support.

Cost Cutting Emphasized at Handling Show

(Continued from page 1) machinery requiring maximum protection demonstrated by Acme Steel Co. To replace heavy wooden boxes or solid metal containers, Acme markets "Dexion slotted angles," cold-rolled steel angles from which lightweight frames can be bolted around machine parts for shipment.

Method Saves \$149,901

Acme reported that an early user of the Dexion angle, the Convair Division of General Dynamics Corp., saved \$149,901 during the first year it used the new crating method. The slotted angle crates can be assembled faster than wooden ones and save on shipping through their lighter weight. When the crates are dismantled, the angles are returned to the company by the consignee for re-use.

A compact, one-piece conveyor belt drive with motor and moving parts enclosed in the driving drum was shown by Eberhard Bauer of West Germany. The enclosed drive eliminates V-belt setups, chains, sprockets, and motor stands and minimizes operating space and costs, according to the manufacturer.

Storage Problems Tackled

Because storage is also an aspect of materials handling, a number of displays offered solutions to storage problems with demonstrations of rack and shelving arrangements that can be erected to specific dimensions and dismantled, moved, or revised at will. In one set-up two girls erected a complete bin-type shelf section in four minutes.

C. F. Venrick, vice president, American Car & Foundry Division of ACF Industries, opened his company's exhibit with a plea for standardization of "door-to-door" cargo units as a means of combatting rising distribution costs. "Containerization"—the unit cargo concept which eliminates costly unpacking and repacking during transit is the only way to increase productivity of the American transportation system and cut its costs, he asserted.

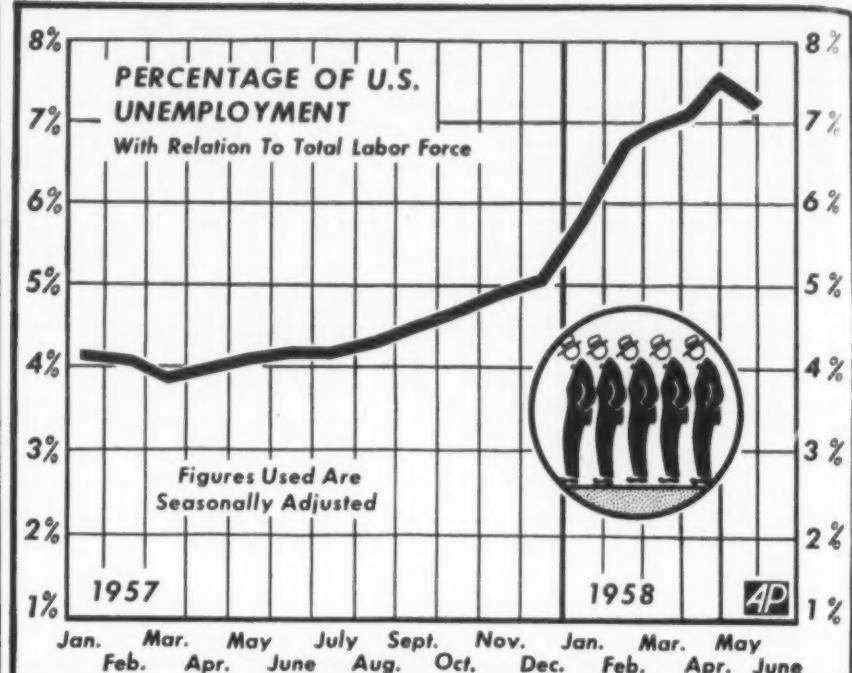
Refrigerated Unit Displayed

ACF's display featured a 17-ft. refrigerated cargo unit that could carry the same cargo from loading dock of manufacturer by train and truck to a seaport and from there by sea to the consumer's receiving platform without unpacking.

"Lopsided engineering" was blamed by another speaker, Allan Harvey, Dasol Corp., New York, for loss of many production gains through materials handling, paper work, and other non-production functions. He cited a case study in which, by detailed analysis of one firm's operations from purchasing and production through sales and customer requirements, a continuous flow of product in correct quantities and at the right pace was established, making possible a cut of 33% in warehouse space and inventories and 50% in direct labor while at the same time speeding deliveries to customers.

"We want to make certain that the money spent for federal-aid highways is well spent and there is no leakage through collusion on building material prices," Wilson said. "We regard this policing as an obligation."

Names of the companies involved in the alleged violations will not be released until court cases are filed, according to Wheeler. He said that 20 or 30 complaints are under investigation.



Unemployed Drop in Percentage and Number

The percentage of unemployed workers declined in May—the first month-to-month decrease in over a year. The seasonally adjusted rate for May was 7.2% of the labor force—fractionally below the 18-year high of 7.5% set in April. Actual unemployment in May declined by 216,000 to 4.9 million—the lowest total since January.

Texas Probing Identical Bidding

(Continued from page 1) more" companies are under suspicion.

Wilson and Asst. Atty. Gen. Joe Wheeler, who is heading the inquiry, said enough evidence already has been uncovered to file civil suits. The charges would involve violation of state anti-trust laws which prohibit any agreement or conspiracy among persons or firms to fix prices at any level. Violators can be fined \$50 to \$1,500 for each day of any violation.

The Austin City Council prompted the investigation when it complained that identical bids had been received on electrical transformers to be used in expanding the city-owned power plant. Suppliers of chlorine, lime, and oyster shells also are involved, according to Wilson.

Dallas authorities also have advised the Attorney General's office that they received identical bids during the current fiscal year on envelopes, drafting tables, water treatment chemicals, sewer manhole brick, tabulating cards, ice, and repair parts for automobiles and several types of machinery.

Approximately 25 other Texas cities submitted a similar list to Wilson who said he believes collusion on prices of transformers, chlorine, lime, and oysters shells have cost Texas taxpayers "well over a million dollars."

Lime and chlorine are used in purifying water supplies; oyster shells are used as a road material, mainly in south Texas.

State investigators are also looking into bidding for county and state governments, including the huge federal-aid highway building program.

"We want to make certain that the money spent for federal-aid highways is well spent and there is no leakage through collusion on building material prices," Wilson said. "We regard this policing as an obligation."

Names of the companies involved in the alleged violations will not be released until court cases are filed, according to Wheeler. He said that 20 or 30 complaints are under investigation.

The Texas inquiry is concerned only with possible violation of Texas laws, but Wilson said his men also are on the lookout for obvious violations of federal anti-trust laws; and if they find any, will report them to the U.S. Department of Justice. Wilson said his investigation disclosed some cases in which identical bids also had been submitted to cities in other states.

Texas cities have only limited power to cope with the problem of price collusion. They have no power to enforce anti-trust laws or prosecute violators and can only refer such matters to the Attorney General. "We will do everything that we can to make bidding on public purchases truly competitive," Wilson warned possible offenders.

Shippers Oppose I.C.C. Setting Minimum Rates

(Continued from page 1) truckers is that non-member truckers in the area are cutting rates and thus forcing its members to do the same thing in order to compete for traffic. The result, the Bureau claims, is that the whole rate level is deteriorating below a sound economic level.

Shippers, headed by the powerful National Industrial Traffic League, are opposing the measure. Primarily, the N.I.T. League doesn't want the I.C.C. to slap any floor on the level of freight rates. This, the league claims, could well turn into a chain reaction all around the country by other rate bureaus.

From time to time in the past, however, the I.C.C. has installed such minimum levels for rates. The league has the support of shippers and opposing truckers in the area. At present, the N.I.T. League officially is not opposing any rate increases that the Bureau wants. But, the Bureau argues that it cannot raise rates under the present conditions of rate cutting, however.



ber

—the first
adjusted
below the
t in May
January.

is con-
able viola-
t Wilson
the look-
ns of fed-
d if they
em to the
tice. Wil-
tion dis-
ch identi-
submitted

y limited
problem
have no
rust laws
and can
o the At-
will do
to make
ases truly
urned pos-

oose

tes

ge 1)
i-member
e cutting
ts mem-
g in order
he result,
that the
eriorating
c level.

the power-
l Traffic
the meas-
League
to slap
of freight
e claims,
chain re-
country by

the past,
installed
or rates.
upport of
truckers
the N.I.T.
opposing
e Bureau
u argues
es under
rate cut-



Roebling Tire Bead Wire: Packaged for Maximum Benefit

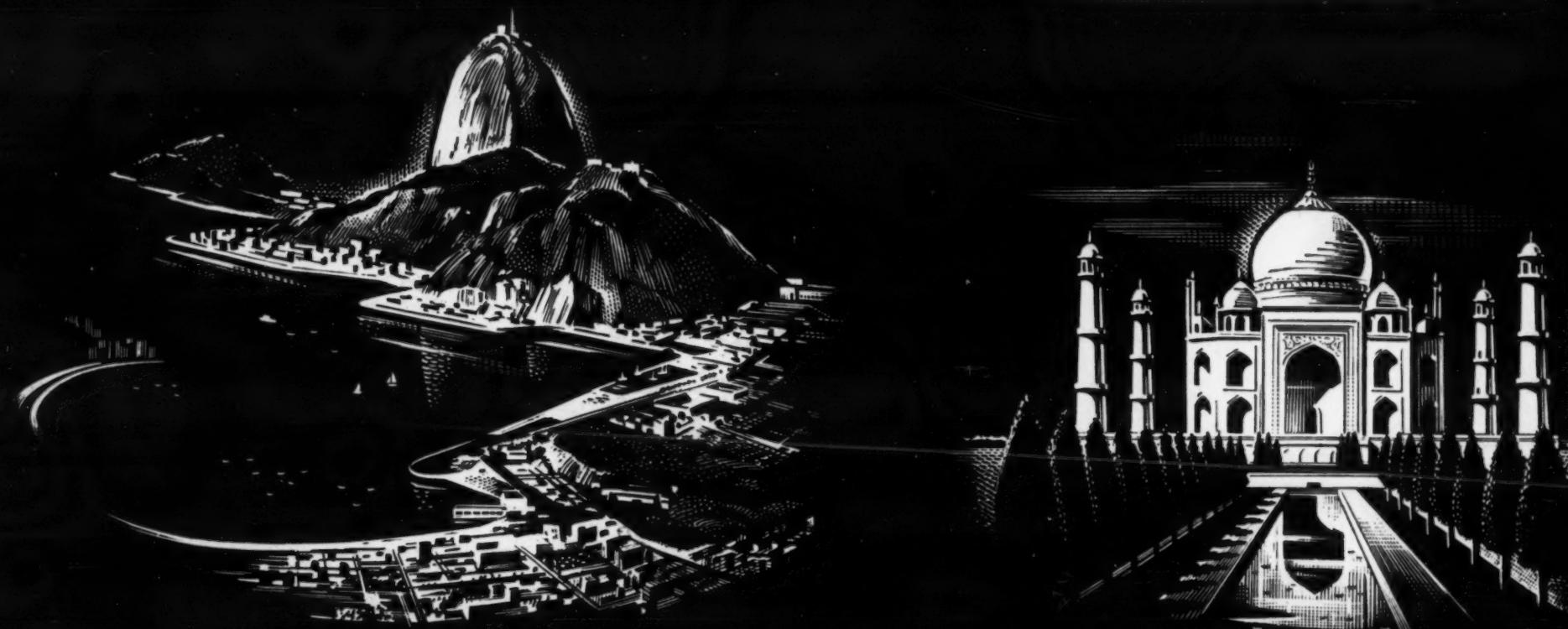
The problems eliminated by this unique reel-less core packaging system are manifold. Loads are palletized two cores per pallet and may be stacked two or three high. This, plus the fact that you need not accumulate empty reels, means storage space requirements are cut to *less than half*. You do away with all freight and handling costs on reels, the bother and expense of "bookkeeping" returnable reels, and the freezing of money in reel deposits.

This is typical of Roebling's advanced packaging methods—that make handling Roebling high-quality wire so much easier. For details on this efficient Roebling Tire Bead Wire packaging method, or information on other types of Roebling wire, write Wire and Cold Rolled Steel Products Division, John A. Roebling's Sons Corporation, Trenton 2, New Jersey.

Roebling... Your Product is Better for it

ROEBLING 
Branch Offices in Principal Cities
Subsidiary of The Colorado Fuel and Iron Corporation 

No matter where your customers buy Macoma



Other Outstanding Shell Industrial Lubricants

- Shell Tellus Oils**—for closed hydraulic systems
- Shell Alvania Grease**—multi-purpose industrial grease
- Shell Turbo Oils**—for utility, industrial and marine turbines
- Shell Rimula Oils**—for heavy-duty diesel engines
- Shell Talona R Oil 40**—anti-wear crank-case oil for diesel locomotives
- Shell Dromus Oils**—soluble cutting oils for high-production metal working
- Shell Volta Oils**—for high-speed quenching with maximum stability

**Its performance and name
are the same around the world**

Shell Macoma Oils are premium quality, fortified extreme pressure gear oils. They provide superior high-load-carrying capacity and are particularly effective where overloading, severe shock-loading or general heavy-duty conditions exist.

Macoma* Oils have these added built-in benefits: excellent resistance to oxidation, great adhesiveness, rapid separation from water. They are non-

corrosive, non-foaming and have high stability in storage.

The world-wide availability of Macoma Oils is assurance that your customers abroad will get the same performance from your equipment that your domestic customers rely upon. For complete specifications, write Shell Oil Company, 50 West 50th St., New York 20, N. Y. or 100 Bush St., San Francisco 6, California.

*Registered Trademark

SHELL MACOMA OIL

